

Intensification of Internal Discussions, Diplomacy

Increased U.S. Effort on Iran Hostages Fails

By Don Oberdorfer

WASHINGTON — The Carter administration has intensified its internal discussions and diplomatic activity in recent weeks in the search for a solution to the hostage problem with Iran, but officials say that no breakthrough is in sight.

U.S. administration sources who were unusually guarded in their comments conceded on Friday that an all-out effort to obtain the release of the 52 Americans is likely between now and Nov. 4, the day of the U.S. presidential election, which also will be the first anniversary of the seizure of the U.S. Embassy in Tehran.

A senior administration source said that the hostage release effort is in a very active stage, with elaborate plans drawn up within the government to meet various demands that have been put forward at different times in the recent past by different factions of the Iranian power structure.

Hard-line Elements

The Iranian executive apparatus headed by President Abolhasan Bani-Sadr has made plain in public and private its desire to solve the problem of the hostages under negotiated arrangements with the United States. However, Mr. Bani-Sadr's long-standing wish for a settlement has been thwarted consistently by clerical factions in the Iranian power structure.

There is no indication yet that the Iranian clerics have decided to move toward the release of the hostages or even to authorize direct negotiations with the United States toward an arrangement.

Thus the hard-line elements in Tehran remain the practical barrier to an early solution.

Before the Iranian-Iraqi war, some high U.S. officials were optimistic, on the basis of soundings from Tehran, that the time was near when Iran would be ready to consider seriously the hostages' release. Part of the mission of a secretive trip to Europe Sept. 14

through 18 by a U.S. delegation headed by Deputy Secretary of State Warren Christopher was to explore a potential settlement.

When the Christopher trip became known, officials denied that he or his traveling companions, including the senior U.S. experts on Iran from several government departments, had met with Iranian Central Bank Governor Ali Reza Nobari, who was in Bonn at the time. But there have been persistent reports that members of the Christopher mission met with other Iranians while in Europe.

Isolation

The full-scale Iraqi invasion of Iran, which began on Sept. 22, shortly after Mr. Christopher's return, added an unexpected complication to the problem of a negotiated settlement. Despite U.S. declarations of neutrality, Iran has continued to insist that Washington had a hand in fomenting or even planning the Iraqi attack. Along with the overwhelming concentration on the war itself, this widespread assertion of U.S. involvement seemed to impair the climate in Tehran for a negotiated deal.

As the fighting with Iraq has continued, however, some elements in Iran have become more keenly aware of the consequences of Iranian international isolation due to the hostage situation, including the difficulty of obtaining spare parts, ammunition and other military and civilian supplies needed in wartime. Thus there was renewed hope among U.S. officials, especially two weeks ago.

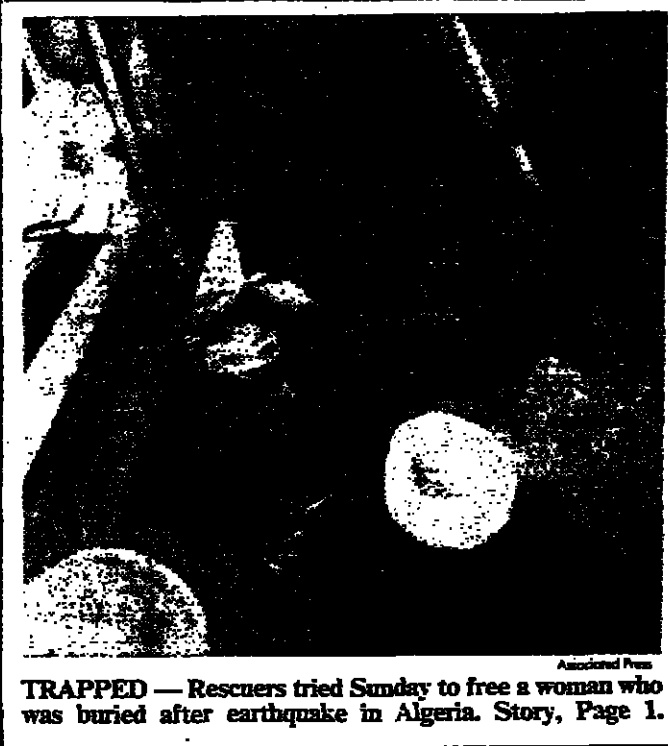
Reports circulated in Washington Friday that the U.S. administration was looking into ways to provide military spare parts to Iran through third countries in a deal linked to the hostages. While acknowledging that rumors were widespread, officials who have been involved in the U.S. policy-making on the issue denied that a spare-parts-for-hostages arrangement was being worked out.

A similar denial came Friday night from Ali Shams Ardakani, the chairman of Iran's special delegation to the UN General Assembly. Interviewed on a U.S. television program, Mr. Ardakani dismissed the idea of trading spare parts for the hostages by saying: "The best thing is to dissociate these two questions. If we try to connect them, it will not happen."

Mr. Ardakani, associated with the Bani-Sadr faction within the Iranian power structure, said that he believed the hostages could be released quickly if "the United States would move toward stopping its rhetoric of the Iranian revolution," agree to listen to what he called the grievances of the Iranian people and make some positive response to these grievances.

Although he would not specify what the response should be, he hinted strongly that the impasse over the hostages could be broken quickly if the United States released the approximately \$8 billion in Iranian government assets frozen by President Carter. Until now, the U.S. administration has insisted that it would release the assets only as part of an overall agreement that would lead to the guaranteed release of the hostages.

According to one official, the rumors seem to have originated in Defense Department contingency planning. Campaigning Friday in St. Petersburg, Fla., President Carter said that he had no idea when the hostages may be released. He said the administration had hopes but no expectations that it may be soon.



TRAPPED — Rescuers tried Sunday to free a woman who was buried after earthquake in Algeria. Story, Page 1.

Economic Model for West Found in Hiroshima Firm

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sembly lines because foremen were overly concerned about shortages.

"We told our section managers to cut back on their parts inventories and to disregard the risk of stoppage on the assembly line," Mr. Yamasaki said. "We wanted to see what sections of the assembly lines were having problems. It is like water at high tide — you have to wait until the tide recedes so you can expose the shoals."

The company then proceeded to invest in equipment to improve the efficiency of the weaker spots in production. Robots were installed to do most of the welding and painting.

Management persuaded the labor force to accept a number of other measures aimed at raising productivity. While nobody was dismissed, no new employees were hired for almost five years. Workers agreed to smaller raises than their colleagues in other automot-

ive companies were receiving. Bonuses, which often amount to the equivalent of several months' pay, were also reduced. Overtime work was sharply curtailed. And early retirements were encouraged.

In an unorthodox move, several thousand blue-collar workers who were not needed on the assembly lines were asked to volunteer temporarily as Mazda car salesmen at distributor outlets across the country. Rather than hang around the showrooms, they were told to ring doorbells and offer demonstration drives.

No Longer Embarrassing

Many of these changes came at the suggestion of the labor force itself. Like most large Japanese companies, Toyota Kogyo has its own labor union and a widespread system of "worker participation groups" — units of 8 to 10 employees who meet regularly to figure out ways to cut waste and increase productivity at the plant.

Hiroshi Nakano, chief secretary of Toyota Kogyo's labor union, conceded that a few years ago he was somewhat embarrassed by "the boy scout image" abroad of Japanese trade unions. Strikes are rare, ties with management have always been close, and the transfer of workers to different posts within the company is considered acceptable procedure by the unions.

"But I think we now have some methods that Europeans and Americans might want to copy," Mr. Nakano said. "Nobody has lost his job during these difficult years. We fell a bit behind Toyota and Nissan in salaries, but we have almost caught up with them. And no important decision is taken by management without consulting us."

Retirements have reduced the labor force to 27,000 employees, while investments in new equipment have raised productivity by 125 percent in five years. Put another way, in 1975 Toyota Kogyo's plants turned out 20 cars per worker, and this year they will produce 45 vehicles per worker.

The company finally reached its sales goal of one million vehicles last year, a 40-percent increase from its 1975 low point, and now ranks third among Japanese automakers behind Toyota and Nissan. The troublesome rotary engine has been improved so that it consumes a gallon of gasoline every 21 miles. But Toyota Kogyo is taking no chances: the vast majority of its passenger cars are now equipped with conventional, fuel-efficient piston engines.

WORLD NEWS BRIEF

U.S.-Russian Nuclear Missile Talks Delayed

GENEVA — Prospects dimmed Sunday that U.S.-Russian nuclear missile talks would open Monday, as expected.

U.S. officials here said they had received no word from Moscow about when the U.S. delegation would arrive, or exactly when the American negotiators would sit down with the Russian negotiators. Russian sources said they knew nothing. The U.S. officials suggested the talks may begin midweek.

There was no explanation for the lack of information about the negotiations, which were set up by U.S. Secretary of State Edmund M. and Soviet Foreign Minister Andrei Gromyko. The talks are to deal with U.S. and Russian missiles that would be used in Europe in event of war.

Rabin Will Challenge Peres for Nomination

TEL AVIV — Labor Party leader Shimon Peres and former Minister Yitzhak Rabin have announced that they will oppose each other for the party's nomination for prime minister of the next government.

According to opinion polls, the winner is expected to become prime minister after the parliamentary elections to be held no later than the end of next year. The contest will take place at the party's National Convention in December.

Mr. Rabin announced his intention to seek the nomination Friday night. Mr. Peres said Sunday that he would call upon the convention to uphold a resolution by the party's Central Committee naming him candidate. The Central Committee, which is constitutionally empowered to pick the candidates, nominated Mr. Peres earlier this year. The National Convention is superior to the committee, however.

Unesco Debating Problems of World Press

BELGRADE — The UN Educational, Scientific and Cultural Organization was to resume debate Monday on a controversial report on problems of international communication and information exchange. The report, prepared by an international commission headed by MacBride, the former foreign minister of Ireland, attacked news organizations such as international news agencies conformed to national laws and development policies.

Developing countries generally welcomed publication of the report as a step toward closing what they see as the gap in the flow of information between the Third World and the industrialized countries.

Ivory Coast Votes to Re-Elect President

ABIDJAN, Ivory Coast — President Felix Houphouët-Boigny, will be 75 this week, was re-elected in a national election Sunday. His five-year term. Results were expected late Monday, in 1979. Houphouët-Boigny was credited with 99.98 percent of the vote. Parliamentary elections come next on Nov. 9 and 23 for a 147-member National Assembly.

Talks to Open on Mediterranean Animal Life

ATHENS — Delegates from 18 Mediterranean countries were to here Monday to discuss protection of Mediterranean marine life threatened with extinction by tourism, overfishing and industrialization. The five-day conference was organized within the framework of a United Nations Environment Program in cooperation with the Food Agriculture Organization and the UN Educational, Scientific and Cultural Organization.

Participants are to seek an agreement on technical guidelines for selection, establishment and management of protected areas. They also to discuss measures to save the monk seal, which is threatened extinction.

Hassan Planning to Arm Civilian After Attack by Polisario Guerrillas

RABAT, Morocco — King Hassan of Morocco has decided to arm the civilian population of three provinces bordering Algeria after an attack by Algerian-backed Polisario Front guerrillas on a frontier outpost in Moroccan territory that is not disputed in the Western Sahara conflict.

Officials said that the king personally distributed weapons to delegations from Guelmim, Tata and Ouargazate provinces at a ceremony in his palace here Friday.

The previous day, the frontier post of M'hamid in Ouargazate had been attacked by 500 of the Polisario guerrillas, who are fighting for the independence of the Western Sahara. Moroccan officials said the attackers were driven off and pursued toward their bases in the Tindouf area of Algeria. The king told the delegations to explain to the people in the frontier areas that the weapons were for self-defense and expressed his confidence in the tribes of the south which, he

said, he had always considered part of the armed forces. The king told Parliament several weeks that the Polisario Front was planning to attack disputed areas on Moroccan territory and that the king had taken steps to arm the local population.

Turk Group Claim 2 London Bombing

LONDON — Two bomb plotters in the heart of London crowded West End Sunday, shattering windows at the TV Airlines office and at the Center, but causing no casualties.

In telephone calls to internal news agencies, a group called "The Armenian Army" claimed responsibility, saying the attacks were to protest "bloody action" of Turkish authorities against the Kurdish Christian Armenian minorities.

U.S. Debate on Military Role in Gulf

(Continued from Page 1)

15 fighter planes to protect against an Iranian air strike on Saudi oil facilities. In addition, officials discussed the stationing of several hundred American military technicians to man Hawk anti-aircraft missile batteries.

Consideration of the Saudi request was overshadowed for most of Saturday by concern that Iraq was about to launch attacks against Iran from bases in Oman and Saudi Arabia. On Saturday night, Mr. Carter ordered strong diplomatic pressure to discourage Oman and Saudi Arabia from becoming so involved.

The quick American response to the Saudi request is thought to have bolstered American prestige in Riyadh. It is possible that Saudi Arabia would not have agreed to increase its oil production had the administration spurned its appeal for protection.

The meetings highlighted the differences among Mr. Carter's senior advisers. Mr. Muskie seemed much more concerned about maintaining diplomatic credibility with Moscow, while Mr. Brown and Mr. Brzezinski focused on the administration's long-term strategy for building up American forces in the Middle East and Gulf.

Weekly Meeting

There was no special urgency Friday morning, Sept. 25, when Mr. Carter and his senior military and foreign policy advisers held their regular weekly meeting at the White House. Mr. Muskie, in fact, flew to Maine that afternoon for the weekend.

But late Friday night, Mr. Brzezinski received a telephone call at his home from the White House crisis center passing on a message from Adm. Stansfield Turner, director of Central Intelligence. Adm. Turner reported that Saudi military and intelligence aides feared an imminent attack on Saudi oil fields by Iranian fighters.

The Saudis were alarmed because they had allowed some Iraqi planes to land on their airfields and had permitted other Iraqi planes to fly over their airspace en route to Oman. The Iranians had warned publicly that they might retaliate against any country aiding Iraq.

In the message received by the CIA, the Saudis not only asked for military help but indicated that they were prepared to take military action if necessary against Iran.

Mr. Brzezinski immediately called a morning meeting Saturday of second-level officials to prepare an agenda for another meeting later in the day of senior officials. At 8 a.m. Saturday, he called Mr. Brown and Warren Christopher, the deputy secretary of state who was in charge while Mr. Muskie was in Maine, to inform them of the Saudi request.

At a minimum, officials agreed the AWACS were the best choice for bolstering Saudi air defenses. Essentially large flying radars, the aircraft were sent to Saudi Arabia once before, in March, 1979, during the border conflict between Yemen and Southern Yemen.

But there was strong support from Pentagon and White House National Security Council staff aides for additional measures. These included sending to Saudi Arabia two F-14 squadrons, about 40 planes, from the carrier Eisenhower in the Arabian Sea; dispatching a similar number of Air Force F-15s from the United States; and deploying advanced Hawk air defense missile batteries with American crews from the United States.

Closer Cooperation

Some military officials also saw in the situation an opportunity to gain Saudi assent to earlier American proposals for closer military cooperation. In the last year, the Pentagon had pressed the Saudis to agree to store large amounts of military equipment at air bases in the country that could be used by American forces in the event of a major war in the area. The Saudis, while supporting American efforts to strengthen military presence elsewhere in the region, had been wary of such direct military collaboration with the United States.

Senior officials, meanwhile, had to confront another urgent matter. American and British intelligence reported that Iraqi helicopters and planes were preparing to use facilities in Oman and possibly Saudi Arabia to attack Iranian bases across the Gulf and on three Iranian-held islands in the Gulf.

The State Department, however, seemed unhappy with any large-scale military involvement, a position that annoyed White House and Pentagon aides. However, there was general agreement on the need to respond to the Iraqi threat by launching a diplomatic initiative to persuade Oman and Saudi Arabia not to cooperate in any Iraqi action against Iran.

Mr. Carter agreed early that evening to such a diplomatic effort. He also approved a recommendation to ask the Saudis to be more specific about their military needs. By coincidence, Gen. David Jones, chairman of the Joint Chiefs of Staff, was in Saudi Arabia on a visit and he and Ambassador John West were asked to speak directly to the Saudi leadership.

Meanwhile, shortly before noon on Sunday, Mr. Muskie who had been summoned to Washington met at the State Department with Mr. Christopher and other senior department aides. Mr. Muskie regarded the afternoon meeting at the White House as a critical test because it was his first crisis since taking over as secretary in May.

At 5 p.m., Mr. Brzezinski, Mr. Brown and Mr. Muskie gathered to thrash out differences over the Saudi request. There was general agreement that it would not be appropriate, as some military officers urged, to push the Saudis into longer-term commitments on military cooperation.

However, there were sharp differences over the opportunities and risks of sending American military forces to Saudi Arabia. Mr. Brown and Mr. Brzezinski are said to have argued that the United States needed to demonstrate the credibility of its commitment to protect Western oil supplies.

Mr. Muskie, who is extremely cautious about making decisions, asked what one participant characterized as "Socratic" questions about American interests in the region. He asked questions like "What should we be doing in the area?" one official said. He is said to have taken this tack because he was concerned what the impact of a major American military move might have on professed American neutrality in the conflict and on how Russia might perceive the situation.

Mr. Muskie stressed that he did not want to do anything for the Saudis that might be inconsistent with what he had told Mr. Gromyko just a few days earlier.

Tentative Accord

The meeting concluded with a tentative agreement that, while the United States needed to demonstrate its concern for Saudi security, it would be a mistake to introduce any military systems that could be used for offensive missions. Consequently, the AWACS appeared as the ideal means of reassuring the Saudis while not provoking Moscow.

Following the meeting, Mr. Brzezinski reported to the president that he ordered a meeting of the National Security Council for Monday. Concurrently, Gen. Jones and Mr. West, in Saudi Arabia, were told to secure a formal Saudi request for the early warning aircraft as well as Saudi agreement that their desire for the aircraft be made public.

At the Monday meeting, intelligence officers reported that the threat of an Iraqi attack from Oman and Saudi Arabia had passed because Iraqi planes had left the two countries.

A White House official said that the decision "stopped a mindless gravitation" by Saudi Arabia and other Arab countries in the Gulf toward Iraq in the current conflict. He also contended that the administration is now "in a much better position to move ahead on building a security framework for Southwest Asia."

But the decision has also left the State Department convinced that caution had to be followed in the region.



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Tactics at NATO Games

S. Armored Troops Criticized on Ability

Drew Middleton
New York Times Service

YORK — The discipline of the U.S. Army's Second Armored Division in the NATO exercise have been criticized by both Western and American.

The division while advancing in a telephone conversation, a newsletter published by the division, the article followed the exercise, with one note, by other critics, then senior West German officers.

Several critics in that U.S. division advanced without any artillery preparation and take enough cover against air attack when not on the third criticism is that U.S. often neglect camouflage if it is used, employ the German and British officers expressed concern about the state of training the entire U.S. Seventh Army.

Europe. They assert that officers pay too little attention to leadership and commissioned officers are experienced in field operations.

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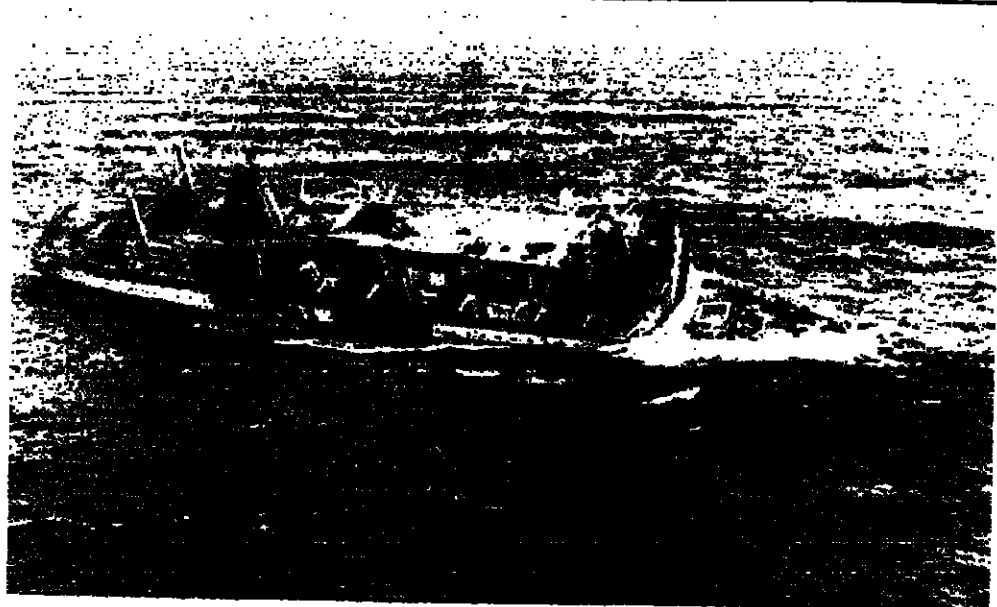
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LINER SINKS — The Dutch liner Prinsendam lists to starboard before sinking in the Gulf of Alaska, a week after all 506 passengers and crew were rescued after a fire. The liner had been under tow but had been taking on water through damaged portholes. It sank Saturday.

But Poll Gives Reagan a Slim Lead

Candidates Leave Pennsylvanians Cold

By Adam Clymer
New York Times Service

PHILADELPHIA — Voters in Pennsylvania, whose 27 electoral votes make it the third biggest prize in the U.S. presidential election, appear to be having difficulty making up their minds in 1980, weighing their choices unenthusiastically.

The troubled economy, with a statewide unemployment rate of 7.7 percent that is much higher in some Democratic strongholds like Wilkes-Barre, is working against President Carter, who won the state narrowly in 1976.

Ronald Reagan, with an unusually united Republican Party behind him and his vice-presidential running mate, George Bush, shoring him up in the Philadelphia suburbs, appears to have failed thus far to establish many positive reasons for voting for him.

34 to 32
A New York Times-CBS News Poll of the state gave Mr. Reagan 34 percent, Mr. Carter 32 percent, and Rep. John Anderson, the independent, 10 percent of Pennsylvania's probable electorate — a measure of the 1,009 registered voters interviewed by telephone that is designed to reflect their likelihood of voting. One percent favored minor candidates.

But, with less than four weeks to go until the presidential election, 23 percent of those interviewed from Oct. 3 to Oct. 8 remained undecided. The poll offered no strong indications that the undecided were likely to break clearly to either major-party candidate, but voters in this group resembled the Reagan supporters in their conservatism on economic issues.

About half the Anderson voters in the poll said that they might switch to another candidate, but they divided evenly between Mr. Carter and Mr. Reagan.

Each major candidate confronts other serious political problems in Pennsylvania. Door-to-door interviews indicate that the continued captivity of American hostages in Iran is also hurting the president, but his experience, buttressed by a heavy Democratic lead in voter registration, is helping him.

Reagan Accused
Mailings by labor unions that accuse Mr. Reagan of anti-labor views seem to be denting his appeal to blue-collar workers, and the Republicans have fallen short of their fund-raising goals.

Both the poll and the other indicators suggest that this election is in large measure a not very enthusiastic referendum on Mr. Carter.

One typical supporter, Leo Kaczmarek, a retired Pittsburgh mill worker, said, "I'll stick with Carter. He learned something, maybe he'll be pretty good in the next four years."

Charles Bowers, a Philadelphia printer, said he was for Mr. Reagan, "not that he's going to do a better job; but he can't do a worse job."

The poll showed that Pennsylvanians were about as concerned as Americans generally about the risk that Mr. Reagan might get the nation into a war if elected, with 30 percent saying they held that fear.

Economic Fears
Almost as many, 27 percent, said they feared that the economy would get worse if Mr. Carter were re-elected. That percentage is below the 34 percent that offered that view in the rest of the United States in the most recent national poll conducted by The Times and CBS News. But another economic issue, the perception that a respondent's family financial situation was worse now than 12 months ago, seemed to be costing Mr. Carter among Democrats and independents.

Republican leaders feel confident about Pennsylvania, although their own polls do not show a bigger lead than does the Times-CBS News Poll. They believe that Mr. Reagan, warmly received in a Polish-American neighborhood here this week, and they feel that television commercials featuring Mr. Bush, to be shown beginning Monday, will maintain enthusiasm in Republican suburbs where he trounced Mr. Reagan in the primary.

Canada Asylum Sought by Poles
MONTREAL — A Polish family slipped away from a government-organized tour in Montreal and defected to Canada with the help of a local drugstore owner whose name they found in a telephone book.

Demetrios Churchouras, 39, a Greek-born tool-and-die maker, said Friday that he and his wife, mother-in-law and five-year-old son slipped out of the hotel with their luggage on Thursday, leaving 36 members of the tour.

The drugstore owner gave them the address of a lawyer, who directed them to a federal immigration office where their tourist visas were extended while they wait for a hearing on their status.

Reagan Tries to Out-President Carter

By Howell Raines
New York Times Service

LOS ANGELES — Ronald Reagan is moving to capitalize on the personal attacks by President Carter that, according to the Republican nominee's advisers, have backfired so sharply that the stage is set for a "true role reversal" on the key issue of presidential character.

In this view, what the Reagan aides call Mr. Carter's "mean and vindictive" campaign tactics have set off a surge of public disillusionment that is sweeping away voters' doubts about Mr. Reagan's compassion, intellectual depth and his ability to handle international crises without plunging the United States into war.

The satisfaction on the Reagan side is heightened by the perception that the damage to Mr. Carter's main campaign asset — his image as a moral paragon — is self-inflicted.

Negative Light

"Carter has positioned himself in a negative light that we never could have cast him in," said Richard Wirthlin, Mr. Reagan's pollster. "If we had tried to use our advertising to depict him as dishonest and mean, we could not have done the job he did on himself."

"If the role reversal occurs," he added, "if people start looking at Ronald Reagan as the candidate who is more presidential, that would be the ultimate political reversal."

Mr. Reagan's senior advisers also say they are convinced that Mr. Carter's disavowal last week of "low road" tactics, followed by his renewed attack Friday in St. Petersburg, Fla., are signs of alarm and disarray among the Carter campaign's high command.

Mr. Reagan's public stance, according to strategist Stuart Spencer, is to "just be decent and soft" in the face of Mr. Carter's personalized criticism. Yet this position is often at odds with the content of Mr. Reagan's stump speeches. Last week, they were routinely sprinkled with attacks characterizing Mr. Carter as untruthful in his promises, incompetent to manage the economy, a falsifier of government inflation statistics and a condoner of corruption in curtailing the investigation of the General Services Administration.

Moreover, by going ahead in the polls, Mr. Reagan has put Mr. Carter into a role he plays with success. "The danger [Reagan] now faces is making an incumbent president the underdog," said Patrick Caddell, the president's pollster. "Then, the challenger becomes the issue rather than Carter's record."

There is evidence to support the views of both camps — that on the one hand Mr. Reagan must expect increasing public skepticism and that on the other alarm is rising in Mr. Carter's advisers.

"We're in a life-and-death struggle here," Mr. Caddell exclaimed recently in a telephone conversation in which he complained that the press was "laying down," allowing Mr. Reagan a "free ride" in escaping criticism.

Reagan aides, on the other hand, believe their man is burdened with an adversarial, ideologically hostile press corps.

There was no lack of press or public criticism of Reagan's scientifically flawed pronouncements last Wednesday defending industrial air polluters by citing Mount St. Helens and trees as sources of impure air. When Mr. Reagan finally landed Friday in Los Angeles after his plane was diverted from smog-bound Burbank Airport, he was greeted with hostile editorials and picket signs that said, "Stop Pollution; Choke Reagan."

The episode stirred memories of what James Baker 3d, a Reagan campaign official, called the "terrible three weeks" in August and September when Mr. Reagan stumbled through a series of damaging misstatements. But the candidate and his staff labored to ignore the air pollution dust-ups in favor of a two-phase strategy to capitalize on Mr. Carter's criticism as, in Mr. Baker's phrase, "demeaning to the presidency."

The "soft and decent" phase was illustrated by Mr. Reagan's above-the-battle response to Mr. Carter's allegation that a Reagan victory would divide the country along racial, religious and sectional lines. "I think he's a badly misinformed and prejudiced man," Mr. Reagan said on Tuesday, adding that the president was "reaching a point of hysteria that is hard to understand."

This one set the stage for the second phase — the depiction of Mr. Carter as a president who will stoop to indignity to conquer. In the past few days, Reagan has portrayed Mr. Carter as a man subject to "fits of childish pique," as a participant in a "serious cover-up" to hide the unauthorized disclosure of national security information; as a betrayer of Democratic Party values; as a man who misleads the public by "fiddling official government statistics" on the economy and military strength; and finally as the "greatest deceiver ever to occupy the White House."

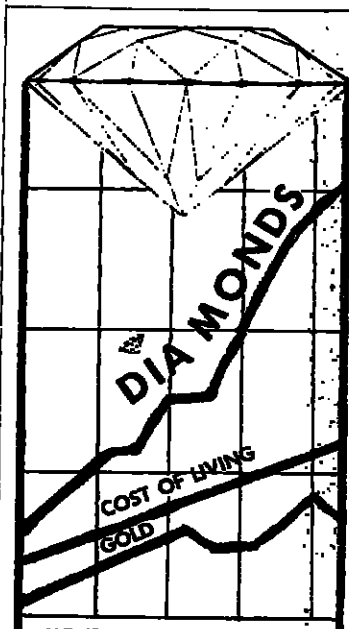
Alabama Crash Kills 4
MOBILE, Ala. — Two small planes — one a prop duster — collided over a rural airport near here Saturday, killing three persons in one plane and one in the other, authorities said.

"We trusted him and now as president he's broken probably more promises than any president in United States history," Mr. Reagan said in Pennsylvania.

With such remarks the Reagan forces are exploring along what they regard as the twin fault lines of the Carter campaign. By questioning Mr. Reagan's personal qualities — his stability in war and peace situations, and his social conscience — Mr. Carter has opened himself to personal criticism couched in terms of moral outrage, the Reagan advisers believe. And, they say, Mr. Carter has given the Republicans a virtual license to kill in their attacks on the Carter administration record.

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Planning to Arm Navy Under Strength Cause of Trident Delays

by Michael Getler
Washington Post Service

WASHINGTON — The U.S. has fewer nuclear submarines at sea today than it has since 1967, mainly because of delays in production and a controversial new design, the Trident.

Navy had planned, under the first Strategic Arms Reduction Treaty of five years ago, to start withdrawing its old submarines from sea duty and replace them with Tridents. It is withdrawing two Polaris submarines to replace them.

The first time since 1967, a last submarine designed by the Polaris program entered the fleet, its atomic-powered undercarriage has dropped below 41

1,053 U.S. land-based missiles. But they say the time lag left by having to take them out of service without the Trident replacement is putting a strain on submarine operations in the Pacific Ocean. The first Trident sub will be deployed in the Pacific.

Trident is the biggest single U.S. weapons project to date, with the government spending \$28.7 billion, according to Navy figures, to build the 14 new vessels, the 24 missiles to go on each of them and the facilities to handle them. The Trident missiles also are being installed on some older Poseidon submarines — each carrying 16 missiles — and the missile portion of the program is proceeding on schedule, with about four such Trident missile-equipped vessels already on duty in the Atlantic.

Mutual Compliance
In March of this year, the prime contractor, the Electric Boat Division of General Dynamics Corp. in New London, Conn., told the Navy that the first Trident would be delivered in January, 1981, which would have allowed sea trials in July, 1980. But in September, the company told the Navy of another five-month delay, pushing delivery back to June 29, 1981.

Under terms of the 1972 SALT pact with Moscow, both superpowers agreed to take old weapons out of service when new ones, such as submarines, begin their trials. Both sides, thus far, have been complying with this provision even though the five-year SALT agreement has expired and no second SALT pact has been ratified.

The four lengthy delays in Trident alternately are blamed on the Navy and its contractors. The Navy blames the first two delays on internal management problems at Electric Boat and a shortage of skilled workers there.

Sea Trials Delayed
The scheduled delivery of the first Trident is 26 months behind its 1979 date called for in a contract. That first vessel is undergoing sea trials at the time the Polaris submarines are being replaced.

Officials say the target readiness of the missiles on the new Polaris submarines has shifted to some of the

Carter Asserts Economic Policy Better Outlook

United Press International
WASHINGTON — President Carter said Sunday that his economic policies were working and that what he called Ronald Reagan's simplistic solutions would lead to problems.

Mr. Carter said in a television address paid for by his reelection committee that his energy, deregulation and budgetary policies were leading to a better economic situation. "Our policies are working," he said. "The economic outlook — after this period of real difficulty — has now brightened. We see the beginnings of recovery, along with a reduction in inflation. The number of jobs is increasing. Unemployment is declining."

He said, "If we try to stimulate the economy too fast, we may speed up inflation. High inflation triggers high interest rates, which choke off recovery — and we end up back where we started."

Mr. Carter mentioned Mr. Reagan by name only once. But it was clear that the Republican candidate's proposals were the target of many of the president's words.

"When nations fail to address their challenges realistically, and look for simplistic solutions to their problems, then they run into trouble. This is a choice that affects our economy," he said.

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U.K. Affirms Refusal of Political Status

IRA Prisoners Threaten Hunger Strike

By Ed Blanche

The Associated Press

LONDON — Britain, responding to renewed threats of a hunger strike by Irish Republican Army prisoners in Northern Ireland, has reaffirmed that it will not restore the political status of jailed IRA guerrillas.

In another development, Bridget Rose Dugdale, who was imprisoned six years ago for IRA-related activities, was paroled in Limerick Saturday.

A statement announcing the hunger strike was smuggled Friday out of the Maze Prison, south of Belfast. It declared that an unspecified number of the 350 IRA guerrillas imprisoned there would begin a hunger strike Oct. 27.

The statement, released by Sinn Féin, the political front of the IRA Provisional Wing, said the prisoners would fast to "the bitter climax of death" unless London restores their "special category" status.

A British government spokesman declared Saturday, "There will be no compromise on the principle of political status. The government is not prepared to make gradations of crime, and these men are criminals. Murder is murder."

The British government granted the special status in 1972, after IRA leaders threatened a mass prisoners' hunger strike, but repealed it in March, 1976, in an effort to strip the guerrillas of political respectability.

Contest of Wills

Since then, IRA prisoners have been locked in a contest of wills with the government, refusing to wear anything but blankets and pouring excrement and urine into cellblock corridors. Under special-category, or political-prisoner, status, the inmates, jailed for offenses ranging from murder to illegal possession of firearms, were allowed to wear their own clothes and did no prison work.

The threat of a new hunger strike follows the collapse last month of efforts by Cardinal To-

mas O'Fiaich, the Catholic primate of Ireland, to negotiate a compromise between the prisoners and the government.

Most of the protesters are members of the Provisional Wing of the Roman Catholic IRA. The IRA is fighting to end British rule in Northern Ireland and unite the Protestant-dominated province with the overwhelmingly Catholic Irish Republic. Protestants outnumber Catholics 2-1 in the province of 1.6 million people.

Previous hunger strikes by imprisoned IRA guerrillas have triggered anti-British street violence in Northern Ireland. At least two IRA men have died during self-imposed fasts.

Authorities have warned Northern Ireland's 2,500 prison officers that the Provisionals may resume their campaign of killing prison

warders. Guerrillas killed 17 prison officers before IRA leaders called a halt to the assassination campaign last March.

Bridget Dugdale Freed

LIMERICK, Ireland (AP) — Irish prison authorities have released Bridget Rose Dugdale, the English heiress who declared herself a "freedom fighter for Ireland" when she was sentenced.

Miss Dugdale, 39, was paroled Saturday for good behavior — despite a 36-day hunger strike several years ago — after serving six years of a nine-year sentence. She was jailed in June, 1974, for stealing art treasures to finance IRA activities and hijacking a helicopter to drop bombs on a police post in Northern Ireland.

The daughter of an English millionaire, she was convicted in the armed robbery of 19 paintings valued at \$19.2 million from a mansion near Dublin of Sir Alfred Beit, a South African diamond magnate. The guerrillas had planned to sell the artworks to raise money to buy guns. The paintings were recovered undamaged.

Prison officials said Miss Dugdale was freed four days earlier from Limerick women's prison than previously announced to save her "the full glare of publicity." She was taken out of the prison in the trunk of a car to avoid reporters.



Bridget Dugdale, imprisoned in 1974 for an art theft connected to the IRA, has been paroled a few days ahead of schedule to avoid publicity. She is shown leaving a Limerick restaurant.

Helmet Defended For Motorcyclists

United Press International

WASHINGTON — The Transportation Department said Sunday that motorcycle deaths in the United States have increased by 46 percent since 1976.

"Motorcyclists who refuse to use protective helmets are tripping their risk of death in an accident," an official said, urging the 28 states that have relaxed or repealed helmet laws to re-enact them.

Motorcycle deaths numbered 4,850 in 1979, a 6.8-percent increase over 1978 and 46 percent more than in 1976, the department said.

Until 1975, all but three states — Illinois, Utah and California — had laws requiring helmets. In 1976, Congress withdrew the Transportation Department's authority to levy sanctions against states without helmet laws. At present, 10 states have no helmet requirements and only 19 states require all motorcycle riders to wear helmets.

Blast Injures 7 Persons

WARRENPOINT, Northern Ireland (Reuters) — Two women in their 80s, a 14-year-old girl and four policemen received minor injuries when a car bomb exploded outside a police station here.

The bombing Saturday was the first major incident in this town near the Irish Republic border since August, 1979, when 18 British troops were killed in a bomb attack by IRA guerrillas.

Mass Grave Is Found In France's Lorraine

Reuters

METZ, France — A huge common grave containing the remains of several hundred people and many horses was found last week by workers enlarging the gendarmerie in the Lorraine village of Boulay near here, police said Sunday.

It was first assumed the bodies were those of Soviet prisoners of war executed by retreating German soldiers near the end of World War II. But police said the presence of horses and the depth of the grave could link it to a cholera epidemic in 1876 or earlier outbreaks of bubonic plague.

Greece to Raise Wrecked Fleets Of Antony and Octavian at Actium

Reuters

ATHENS — Greece has decided to try to raise the wrecks of Roman ships that went down when Octavian, later the Emperor Augustus, defeated Mark Antony and Cleopatra in the Battle of Actium in 31 B.C., government officials said.

The ships, some of which are said to be in good condition, had been located under the mud of Amvrakikos Kolpos Bay in northwestern Greece.

The official said that work is expected to start next spring and Greek archaeologists have asked experts from the United States to help recover the wrecks. Remains of the Roman fleets were located by scuba divers who said the ships were well preserved.

Cleopatra, queen of Egypt, fled from the Battle of Actium in panic in her ship, Anthony, her lover, followed her, leaving his fleet to fight on until it surrendered to Octavian's forces, commanded by Marcus Agrippa. The battle established Octavian as the ruler of Rome.

With about 60 deputies of the dissolved Parliament freed and more than 20 arrested, it is clear where the military junta lays the blame for the crisis that led it to intervene last month. Most of those still detained are extreme rightists or Islamic traditionalists.

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6 Charged in Milan

The Associated Press

MILAN — The Milan prosecutors office said that it has broken up the March 28 Brigade urban guerrillas and charged six suspects in the murder of a reporter and the shooting of another here in May.

Prosecutors said Saturday at a news conference that the suspects, all in their 20s, were charged in connection with the slaying of Walter Tobagi, 33, a labor writer for the Milan daily Corriere della Sera and the wounding of Guido Passalacqua, a reporter covering terrorism for the Rome daily La Repubblica.

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Rightist, Islamic Politicians to Be Tried

Turkish Military Frees Demirel, Ecevit

Reuters

ANKARA — Turkey's military leaders freed former premiers Suleyman Demirel and Bulent Ecevit over the weekend, but said they would try the other main party leaders, extreme rightist Alpaslan Turkes and Islamic fundamentalist Necmettin Erbakan.

All four politicians were detained after the Sept. 12 military coup that overthrew Mr. Demirel's government. They were taken to remote military bases while military prosecutors investigated their past activities.

The state radio reported Sunday that Mr. Erbakan, 54, and nine of his former parliamentary deputies would be tried for allegedly working to impose an Islamic state in contravention of Turkey's secular status.

The charge carries possible jail terms of between two and seven years. A number of other charges such as holding illegal demonstrations and possessing guns and explosives have been made against them, the radio said.

Mr. Erbakan and six of the deputies were released from detention Sunday and allowed to return home, but they were ordered not to leave Turkey. Three other Islamic party deputies were formally arrested and remained in detention.

Mr. Demirel and Mr. Ecevit, leaders of the Republican People's Party and the Justice Party respectively, were also ordered not to leave Turkey after they were freed Saturday. But it was thought unlikely that charges would be brought against them.

Mr. Turkes, chairman of the Nationalist Movement Party and Turkey's other leading politician of the past decade, was arrested Saturday with 16 of his former deputies and a dozen party officials.

They are to be charged with "instigating the people against one another and inciting massacre," which carries a minimum 20-year prison sentence and a maximum death penalty.

With about 60 deputies of the dissolved Parliament freed and more than 20 arrested, it is clear where the military junta lays the blame for the crisis that led it to intervene last month. Most of those still detained are extreme rightists or Islamic traditionalists.

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The five-man junta strongly criticized all of Turkey's politicians. But it is clear that the new rulers have made a distinction between Mr. Demirel and Mr. Ecevit on one hand and Mr. Turkes and Mr. Erbakan on the other.

The first two were detained in comfort in seaside chalets in a military base used as an officers' resort while Mr. Turkes and Mr. Erbakan were held behind barbed wire on a remote island in the Aegean Sea.

The Military Underpinning

In discussing foreign policy in this space (IHT, Oct. 10), we set aside one fundamental aspect for today. Foreign policy entails more than "policy," more than cleverness, more than manipulation. It entails the use of national power, of which military power is a critical component. The United States cannot pretend to conduct a foreign policy that is anything but minimal, reactive and perilous unless it provides itself with a solid military underpinning.

But what kind of military? You might hope that, from the evidently vigorous debate in which the country is now engaged, some good answers would emerge. But that is not happening. The argument over military security seems to have centered on an exchange of slogans, numbers and vibrations. Jimmy Carter says "essential equivalence" and Ronald Reagan says "margin of safety." Mr. Carter says spend 3 percent more and Mr. Reagan says spend 5. The emanations from Mr. Carter hint: Don't think I'm a pushover. From Mr. Reagan: You'd better believe I mean business. The result of all this is that the argument over military security has taken on a kind of independent polemical life increasingly detached from the one thing it should be about — what kind of a military establishment is needed, and can be provided, to ensure our security at home and to fulfill our foreign policy commitments and goals. Only when one gets a reasonably coherent sense of foreign policy ends, and the economic constraints, can one begin to talk rationally of military means.

It is for just this reason — the detachment of the debate from the tough questions — that most of the submissions of both leading candidates have been unsatisfactory. Mr. Reagan's talk abounds in grave warnings of calamity and anti-Communist alarms so boundless in scope and intensity that one might think that the only logical reaction is to scurry under the bed. But then he turns and approaches the solution, in the key matter of military manpower, as though he were arranging a croquet match after tea: War, anyone? Sign up over here. His basic military prescription is: more. More of everything, as though every contingency should be equally prepared for — a dream view confounding the candidate's supposed conservative hard-headedness. As for the ever larger sums he would write into his military budgets, it is not simply that he betrays no clear sense of what to spend the money on. He does not concede that there are real political constraints on military appropriations of the open-ended sort he prefers.

President Carter has his own confidence problem in respect to the military issue. Having swung away from his earlier pledge to cut the Pentagon budget back from the dangerous heights to which he kept claiming his predecessors had brought it, he now declares that he, single-handedly, saved a dwindling

military establishment from Republican rack and ruin, interrupting himself only to insist that his position has not changed. Well, it did change, and we're just as pleased it did. Mr. Carter was more right the second time than the first, although neither he nor Mr. Reagan has addressed the truly disconcerting fact that what we already have doesn't seem to work very well. Machines break down, units aren't ready — the whole sad litany.

But the change has left its own residue of popular misgivings. From Jimmy Carter, people want proof that he takes seriously the prospective threats that he is asking the country to get ready for. They want proof that the alterations he has made in his military views, and in his view of Soviet power, proceed not from political considerations but from an honest and probing analysis. They want proof of a personal understanding that the acquisition of and the readiness to use military power, far from being politically and perhaps even morally dubious, can have a central value in keeping the peace — and in supporting legitimate foreign policy interests.

Just what is the national security question to which the Carter or Reagan military establishment is the answer — or, as Mr. Carter seems a good bit readier to put it than Mr. Reagan, the partial answer? That question increasingly centers, as we suggested before, on the Gulf: to ensure access to (even while reducing dependence on) Gulf oil, to prepare with assorted friends for the different military and political challenges that a prudent person must anticipate in the region, and, meanwhile, to maintain a credible strategic umbrella. To set up the problem this way is to indicate the different things that have to be done at the same time: an energy policy stressing conservation and development of alternative sources, a diplomacy making careful use of the interests that others have in Gulf stability, an improvement in the capacity to project conventional military power into the region and close attention to a strategic force that offers effective deterrence and crisis stability.

Ultimately, the military problem comes down to choosing which of many possible threats to credit and deciding how large the arms component should be in dealing with them. Mr. Reagan has often seemed to go for the long list of threats and to favor a heavily military approach to them. In the past at least, Mr. Carter has trimmed the list and stressed other than military ways of coping, arms control and the mediation of disputes, for instance. The dilemma for voters is that neither man's arguments so far — Mr. Reagan's oversimplified and underfunded military solutions and Mr. Carter's suddenly acquired tough-guy stance — have been made plausibly or seriously or with a willingness to accept their logical implications.

THE WASHINGTON POST.

A Chance for Argentina

Consider the sad paradox of modern Argentina. Abundant resources, including food and energy, and high levels of development and education have encouraged the dream of a prosperous society playing an influential role in regional affairs. Yet primitive politics keeps puncturing the dream. For more than half a century, power has passed from authoritarian soldiers to ineffective civilians and back again, corroding the economy, compromising liberty and tarnishing the nation's name around the world.

The latest military regime can claim credit for a limited but significant economic rehabilitation over the past three and a half years. But the country paid a heavy price for order in mysterious disappearances, killings, torture and imprisonment. These atrocities, combined with Argentina's belligerent diplomacy in the region, have seriously strained relations with the United States, to the detriment of both nations.

The full extent of the diplomatic damage became clear last winter. Buenos Aires shocked the Carter administration by undermining the U.S.-sponsored grain embargo against the Soviet Union. Washington then tried to improve relations but without success. Indeed, Argentina added a new source of antagonism last July when it sponsored an anti-democratic coup in Bolivia.

Now there is a chance to try again. The Argentine presidency will pass next March to Roberto Viola, a sophisticated retired general. Like his predecessor, outgoing President

Jorge Videla, Mr. Viola comes from the more flexible wing of the army. And thanks in part to the costly achievements of the present administration, the general expects to inherit relatively stable economic and internal security conditions.

One way for him to write an end to the "dirty war" of recent years and to prepare for a return to civilian rule, would be to clarify the fate of the more than 7,000 persons now counted as "disappeared." Most of the victims are presumed to have been kidnapped and killed by the military and Mr. Viola has opposed investigations. But a sign of responsibility on this issue would finally proclaim that Argentina's leaders are again committed to the rule of law.

Restoring minimal labor rights would be another positive step. Argentina's Peronist-oriented trade unions have misused political power as often as the armed forces. But in an age when even Communist governments feel compelled to grant their workers basic rights, it is odd for Argentina to keep denying them in the name of an anti-Communist freedom.

A better relationship between Buenos Aires and Washington requires attention to such problems as nuclear proliferation and Argentina's regional behavior. These would surely be discussed in a better climate if Mr. Viola changes course domestically. More important, Argentina would thus be brought so much closer to realizing its long-deferred dream.

THE NEW YORK TIMES.

International Opinion

Reagan and Arms

This vacuum at the heart of the Carter campaign comes out particularly clearly over the matter of American defense strength, which has emerged as one of the main issues. A chief plank of Mr. Carter's first campaign was that he would reduce defense spending.

In fact, defense spending has increased during his tenure, though not to any great

purpose or in such a way as to remedy what are now widely accepted as serious deficiencies in the armed forces. Be that as it may, Mr. Carter... is now posing as a man who is boosting American defense capabilities like nobody's business. At the same time, he tries to depict Mr. Reagan as a warmonger. He is trying to have it both ways.

— The Daily Telegraph (London).

In the International Edition

Seventy-Five Years Ago

October 13, 1905

PARIS — Today's editorial in The Herald reads: "Probably very few artists will regret to learn that the vogue of the 'modern style' in furniture is on the wane if not already dead. What became a 'style' in art is not created in its entirety at once, but is logically developed from styles that have preceded it. The rapid decline in popular favor of the style was inevitable, for every artistic element that might have linked it with the past was discarded. In short, it was the outcome of efforts to substitute novelty for beauty, a peculiarity that may have fully entitled it to be considered modern, but was insufficient to make its charm eternal."

Fifty Years Ago

October 13, 1930

BERLIN — With the meeting of the new Reichstag for the first time tomorrow afternoon, an uncertain element will be introduced in German parliamentary history. The 107 deputies who were elected on the National Socialist ticket a month ago have announced their intention of appearing in the Fascist party uniform of brown shirts, forbidden in Prussia. The Communists, now the third largest party, are also considering appearing in their official uniform. The Reichstag authorities are not leaving matters to chance. Brown shirts on one side of the hall and red-front jackets on the other are to be confronted by strong squads of ushers and policemen.



'Begging the Admiral's Pardon, But All Hands ARE on Deck, Sir.'

A Congressman Looks at Congress

By Stephen Klaidman

WASHINGTON — The closer one gets to the U.S. government, the easier it is to understand why outsiders are baffled by it. Dictators seem to have the hardest time, especially those in countries like the Soviet Union that ape some of the trappings of democracy.

But politicians used to parliaments are often puzzled, too. It is mystifying to them, for example, that a Democratic president with a heavily Democratic Congress cannot get his programs passed.

A gentleman from Ohio who has spent the last 26 years in the House of Representatives and is retiring at the end of this term to have a go at changing things from the outside, tried to explain the other day some of what is wrong with the legislative branch of government.

535 Parties

He's Charles Vanik, Democrat of Ohio, elected 13 times from the same district. He's not terribly optimistic that Congress will quickly improve the way it does things, but he has a couple of ideas he thinks might help, if enough members take off time from campaigning and start legislating. But first he talked about the problems.

For one thing, Rep. Vanik said, "In America we have 535 political parties," one for every member of Congress. That means a number of things, the most obvious of which is that the president's party, whether Democratic or Republican, has no control over the flow of legislation.

"I don't know of one member in the whole damn Congress," he said, "who will accept discipline or take suggestions from the national party."

It also means that it is very difficult for Congress to reach the consensus necessary to legislate efficiently. That is because most members of Congress, with rare exceptions, are in mind, will generally opt for their district's goals when they are in conflict with the party's national and international goals.

"The obsession," Mr. Vanik said, "seems to be the perpetuation of the seat. Curbing streets is more important than curbing nuclear advances."

The two great villains that have brought this about, the outspoken legislator said, are single-issue politics and television. The former, he be-

CROSSCURRENTS

lieves, puts votes on the auction block and the latter allows "novices" to win seats that should be reserved for professionals.

"Now," he said, "chunks of policy are being bought. You can buy any policy position you're willing to fund." Mr. Vanik said, "Some industries just elect their lobbyist." He declined to name any, though, on the ground that "there are so many."

As for television, he said, "My campaigns were shoe-leather campaigns. I would wear out two pairs of shoes during a typical one. Now these guys just come straight out of the sun and tear you apart without straining a muscle."

"If they're good media candidates, they can come into any race, just find a vulnerable candidate and move in. It doesn't involve any prior record."

Rep. Vanik doesn't talk much about making fundamental changes in the system, because he doesn't think that's what the American people want. He has a feeling that they would much rather see the presidency redeemed itself. He does worry though about whether that will happen, and if it does, whether it will be soon enough.

"I sometimes have doubts," he said, "about how long we can survive with our present system. Take Watergate, for example. If we were in a parliamentary system, that would have been over in 30 days. We anguished for three years."

Although the relative power of Congress

with respect to the president and the bureaucracy has increased substantially as a result of post-Vietnam war legislation and Watergate, that power is used mostly to frustrate the administration by either diluting or blocking legislation.

When Congress' ability to stall, weaken or kill bills is combined with a lack of party loyalty, a lack of experience and professionalism, narrow interests and a compulsion to campaign, it is not surprising that President Carter has had a rough time, even with a Democratic Congress.

Suggestions

Of course, the president did not endear himself to the legislators in his 1976 anti-Washington election campaign or in the first couple of years of his presidency, when he fought congressmen rather than cultivating them and working with them.

Mr. Vanik has two suggestions to improve matters. He believes that governors and members of Congress are the Party and that they should automatically be delegates to their Party's national convention. If that had been the case in the Democratic convention this year, he contends, "it could have turned the tide," by which he seemed to mean that Edward Kennedy of Massachusetts would have been nominated instead of Mr. Carter.

He also believes that a system of consultation must be developed to bring together the administration, members of Congress, when appropriate representatives of labor and industry and even, in some cases, foreign governments. He said that process was followed unsuccessfully in passing legislation resulting from the Tokyo Round of trade negotiations.

At bottom, though, the 67-year-old departing Congressman did not seem to think that that procedure was about to become the rule rather than the exception. Perhaps, at least in part, that's why he's leaving.

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Campaigning: Dead Pan or Dead Serious?

By David S. Broder

YOUNGSTOWN, Ohio — If Harold Ickes were alive, Jimmy Carter would have a better chance of being re-elected president.

Back in the 1940 campaign, the "Old Curmudgeon," who was Franklin D. Roosevelt's secretary of interior, took it upon himself to deal with the efforts of Wendell Wilkie to defeat FDR's bid for a third term. Wilkie, a former Democrat, was presenting himself as a nontraditional Republican and in-viting Democrats to cross party lines.

Ickes delivered a blow from which the small-town Hoosier never recovered when he teed off on Wilkie's utility company ties and labeled him "the barefoot boy from Wall Street."

If Ickes were around today, watching ex-Democrat Ronald

Reagan campaigning in the steel mills of Youngstown and other industrial cities, he would know what to say: "Ah, Ronnie Reagan... the Hollywood hard-hat. The populist from Pacific Palisades!"

Smoke and Breeze

A candidate like Mr. Reagan who, a few weeks from possible election as president, muses aloud about the curative power of the smoke in the Smokies and the therapeutic effects of a southwestern breeze crossing the Santa Barbara oil slicks — such a candidate might be thought ripe for satire.

But Mr. Carter is incapable of the light touch — and instead uses blunderbuss tactics that always end up backfiring on him. And that is one reason Mr. Reagan is still out front in this election.

The real Ronald Reagan is a committed conservative with a deep distrust of the federal government. He is, goodness knows, entitled to all the votes that he can get with his skillful and practiced rendition of that popular political tune.

But his parading himself as the workingman's candidate is a charade that would stir an Ickes to ridicule. A new Reagan brochure, unveiled here, is headlined, "Elect a Former Union President, President." It is preposterous.

Mr. Reagan was president of a rather special kind of union, the Screen Actors Guild, for six years. For eight years after that, he was a salaried employee of General Electric Co., giving motivational and political talks at its plants and factories and playing host on its weekly television show. Anybody who thinks he got his job with GE — which then had a particularly right-wing, anti-union management — because of his militancy as a union leader would believe that Mr. Reagan's, and my favorite team, the Chicago Cubs, may yet win the pennant this year.

Philosophy

At the end of his seventh decade, Mr. Reagan is not likely to adopt a new political philosophy — even if he is now changing positions on some specific labor and economic issues at the prompting of his managers.

Anyone who knows him knows that he is not the evil, malevolent man that Mr. Carter has been drawing in caricature. But he is — like all of us — the product of his environment and experiences. The "kitchen cabinet" cronies from Beverly Hills and Pacific Palisades who decided after his Goldwater speeches that Mr. Reagan could be promoted as governor of California are big-businessmen. The breadth of their social vision is measured by their belief — which Mr. Reagan shared — that every-

thing from a state open-housing law to income tax withholding in Sacramento was a threat to their way of life, and therefore, to the public good.

It should be noted that Mr. Reagan eventually came to accept both policies as necessary. That is the pattern of his politics. He starts with the reflexive belief of his social set that change is dangerous and eventually is persuaded that it is necessary. That approach applies not only to domestic affairs but to such foreign policy questions as the recognition of China, which he also opposed and then accepted.

If the United States wants a president who — as Adlai Stevenson, another Illinoisian with Ickes' wit, once said — "has to be dragged kicking and screaming into the 20th century," Mr. Reagan is the man. But Mr. Carter's inability to make that simple point with style or grace or good humor is absolutely stunning.

Follies

One reason is his own woeful lack of humor. Even his loyal (and funny) press secretary, Jody Powell, says, "You give him a funny line and, somehow, he changes it so it comes out hard."

But the deeper reason is that humor requires a degree of detachment — an ability to see your own follies and failings, as well as the others'.

Mr. Carter is such a solemn, self-righteous man that he cannot see what easy pickings Mr. Reagan would be for a politician who is not puffed up with pride himself. But that same inflated ego convinced Mr. Carter that a lame duck governor of Georgia could run off with the presidency now has convinced him that if he is defeated by Mr. Reagan, the country will face nuclear war or civil war — or maybe both.

It is to laugh.

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Candidate And the Caribbean

By Philip Ceylan

WASHINGTON — The Caribbean Basin, as the diplomats would have it (for Central America, if you want to think about it), is a veritable grab bag of countries ranging from the small (Costa Rica, El Salvador, the Dominican Republic) to the minuscule (Grenada, St. Lucia, Barbados). Once described as a "microcosm of global conflict," it has even been called an emerging U.S. policy area or could wish for in the way of challenge.

It has wretched poverty and extreme, entrenched wealth, a botched economies. It has terrorism, from the Right and the Left. It has military juntas and has political repression. It has a so-called Soviet presence in Cuba and an imperialist "revolution-for-exploitation" by the hot and heavy hand of Washington's arch-adversary, Fidel Castro.

It has a growing cluster of venerable, unstable island states working their way free of colonial rule, and a string of long-established mainland nations increasingly rolled by Marxist insurgencies.

It is the Third World, writ small.

Focus

In no two countries are conditions quite the same. But the central problem for U.S. policymakers as well as a fundamental difference in the approach of Jimmy Carter and Ronald Reagan come into focus in just one: Nicaragua.

Once occupied for 20 years by U.S. Marines and for 40 years by the ruthless and repulsive Somoza, Nicaragua was torn over last year by a successful leftist insurgency. After a bloody fight, this brought power to the current Sandinista revolutionary government.

The Sandinistas are avowed Marxist and hotly embrace Castro. They have close links to the Soviet Union and are moving to Vientianing, Nicaragua is rated by some as an almost sure-fire "Cuba" in the making.

Shockwaves

Others point to a moderate majority in the ruling council and Nicaragua as authentically nationalistic, justifiably unforgiving to the United States for its long-unwavering support for the Somoza, but susceptible to the lure and restrained exercise of U.S. influence.

On one point, almost everyone agrees. As Nicaragua goes, Communism, along the Caribbean coast, to a relatively plural society, genuinely nonaligned — may be a large part of the Caribbean Basin. In El Salvador, Guatemala and Honduras, to name particularly critical cases, shockwaves from Nicaragua's most unprecedented revolution have already had heavy repercussions.

What to do about it? What Carter administration did, at finding it couldn't beat the Sandinistas, was to join them, jettisoning the Somoza along the way. This year the president won a surprisingly strong congressional support for a \$75-million aid package for Nicaragua and is now in process of disbursing it.

Platform

Ronald Reagan and the Republican Party are flat-out against it. "We do not support United States assistance to any Marxist government in this hemisphere," says the Republican platform "and we oppose the Carter administration program for the government of Nicaragua."

A few weeks ago, an NBC television program called the "Carter Connection" came as close as we are likely to get to a genuine presidential debate on the issue.

Said Deputy Secretary of State Warren Christopher, on behalf of the Carter administration: "A principal reality in Central America is the reality of change. It's uncontrollable, irrepressible, and I think the main thing we have to do is work with it. Change... I don't understand the competition that's provided. Castro and I'm sure he's worth having in Nicaragua... It's a struggle. But we want to be on the right side of that struggle, the democratic side."

Said Ronald Reagan: "I disagree with... the aid that we are providing for [Nicaragua] because think we did it under the illusion that somehow we were helping hold off a truly leftist government, that we had some kind of a moderate government there... I think we are seeing the application of a domino theory... and I think it's time the people of the United States realize... that we're the domino."

You will be hard put to find clearer definition of the difference philosophically and strategically in the approaches of Jimmy Carter and Ronald Reagan to a basic issue of national security.

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East and West German Trials

S. Shifts Policy, Seeks Extradite Alleged Nazis

By Jim Mann
Los Angeles Times Service

HINGTON — In a significant shift in U.S. policy, American officials are now seeking to extradite alleged Nazi criminals and collaborators to stand trial in the United States.

This month, Allan Ryan, director of the Department of Justice's special investigations unit, said that the government's initiative with officials of the United States and the United States since 1929. Officials at the department said Friday that they were unsure whether any American citizen had been extradited since the country's part of the Soviet bloc after World War II.

Now, the strategy of the department has been to target alleged Nazi war criminals in U.S. courts, first by stripping these individuals of their American citizenship and then by seeking to deport them. Law enforcement officials have been working on this approach.

No Authority

United States has neither the legal authority nor the political will to extradite alleged Nazi war criminals because of the government's position on a person accused of such crimes. The government must first strip a person of his citizenship and then the U.S. Supreme Court.

If the federal government is to deport him, he may be taken to a federal court and then to the Supreme Court. A good lawyer, you can get a person out of the country for 10 or 15 years. The government must first strip a person of his citizenship and then the U.S. Supreme Court.

ment must merely go to court and show that a foreign government has issued a warrant charging an individual with specific offenses within that country, and that the foreign government has a valid extradition treaty with the United States.

"Much Speedier"
"It's a much, much simpler, speedier process," Mr. Ryan of the department's special investigations unit said.

A person who is deported from the United States may go to the country of his choice. A person who is extradited, however, must go to the specific country that has charged him with violating its laws.

The only war criminal extradited from the United States was Hermann Braunstein, formerly of Queens, N.Y., who was sent back to West Germany to stand trial there in 1974.

At this time, the Justice Department is attempting to deport or deprive of citizenship 18 persons who are alleged to have engaged in war crimes or atrocities with or on behalf of the Nazis. The department expects to file new charges soon against other alleged war criminals.

To extradite alleged Nazi war criminals, the United States would first have to persuade West Germany or Poland to extradite these persons from the United States.

The Justice Department's effort to revoke the American citizenship of Nazi war criminals has run into several legal obstacles.

This week, the U.S. Supreme Court will review the case of Feodor Fedorenko, formerly an armed guard at the Nazi concentration camp in Treblinka, Poland, to decide what legal standard should be applied when the United States seeks to strip a person of his citizenship.

When he applied to enter the United States as a displaced person in 1949, Fedorenko claimed he had worked as a farmer and laborer in Poland during World War II; he did not acknowledge his work at Treblinka. Fedorenko now claims he concealed his role to avoid repatriation to the Soviet Union, where he was born.

Attorney General Benjamin Civiletti will try to persuade the court that Fedorenko's citizenship should be revoked.



WINTER TRAIL — Cattle cross the Koenigs toward their winter stables near Berchtesgaden, West Germany. Early snowfall forced them to cut short their summer grazing in the Alps.

No One Ordered Workers off Shelved Project

N.Y. Keeps Digging Tunnel to Nowhere

By David A. Andelman
New York Times Service

NEW YORK — Hundreds of workers have labored beneath the streets of New York City and the East River completing a \$160-million tunnel for the Long Island Rail Road that officials knew for at least five years would never carry a train.

The project is a second layer beneath the 63d Street subway tunnel that was part of a plan, abandoned years ago to build a Long Island Rail Road terminal on the East Side. After the plan was shelved, according to engineers involved with the tunnel's construction, there were points along the way when the project could have been scaled down.

The engineers say that, after the portion under the East River was completed, for instance, work on the tunnel could have ended. But no one gave the order to stop, and once blasting through rock had been completed for each particular segment, that portion of the tunnel

had to be finished — largely for structural reasons — to support the subway tunnel above.

Richard Ravitch, chairman of the Metropolitan Transportation Authority, acknowledged that work had gone on long after officials knew the tunnel never would be used. He said that he could not explain why, but he speculated that 10 stop the work "was impossible or so costly as to make it impractical subsequent to the construction of the subway portion and no contrary decision was ever taken."

Meanwhile, in another transportation authority project, construction workers are completing a section of the long-abandoned Second Avenue Subway in Manhattan, a 700-foot stretch that will join two sections that have been completed.

The two sections already built

have been sealed off, and transportation authority officials said that the tunnel never would be used.

But construction of the final section has continued, officials say, to finish putting in structural support.

Now the tunnel to nowhere has become a joke among the very workers who are building it and who now speak of it as New York's most expensive wine cellar and meat locker as they slosh through the ankle-deep water that swirls through the 30-foot-tall, 40-foot-wide empty concrete structure.

Through the years, the cost of the project escalated from \$69 million to \$330 million, of which \$160 million was the railroad portion. Most of the money for the project has been spent.

President Calls for Overthrow of Seoul Regime

North Korea Lists Conditions for Unity

United Press International

TOKYO — President Kim Il Sung of North Korea said Sunday that the overthrow of the "military fascist" regime in South Korea was a major condition for the unification of the divided country.

Mr. Kim also called for the destruction of all defenses on the common border and the demobilization of most of the armed forces. The North Korean news agency said that the latest statement from Mr. Kim was a clarification of a 10-point program for reunification he unveiled Friday at the Sixth Congress of the ruling Workers' Party.

The congress, the party's first in 10 years, was to end Monday. Observers have predicted that Mr. Kim's son, Kim Jong Il, will be named heir apparent to the leadership and will receive an expanded role in the party. The older Mr. Kim, 67, has ruled North Korea since it was founded 32 years ago at the end of World War II.

"It is imperative to abolish the military demarcation line, dismantle all military installations in the vicinity, dissolve militia organizations in both parts and forbid military training of civilians," the agency quoted Mr. Kim as saying.

Weaker Armies Urged

He said that both Koreas should demobilize most of their armed forces, leaving armies of 100,000 to 150,000 men on each side. South Korea has an estimated 615,000 men under arms while the North Korean armed forces total about 510,000.

Mr. Kim said that under a reunified Korea, both sides would recognize each others' different social systems and that the North would not interfere with foreign investment in South Korea.

He did not, however, offer any concrete guarantees that he would not impose Communist rule on the South, and emphasized that a condition for reunification was the overthrow of President Chun Doo Hwan.

"To achieve independent, peaceful reunification it is imperative to eliminate the military fascist rule and democratize society in South Korea," he said.

Another prerequisite was the conclusion of a peace treaty with the United States to end the 1950-53 Korean War, but Mr. Kim said that this could only be done when all U.S. military forces were withdrawn from the Korean peninsula.

The United States has refused to sign a peace treaty because, the North will not recognize the South as a party to any discussions. The United States wants trilateral negotiations.

Mr. Kim also pledged that any reunified Korea would be neutral, nonaligned and "a permanent peace zone and nuclear-free zone."

More Buildings in Manila Are Attacked by Bombers

New York Times Service

MANILA — Two major corporations, a bank and a sports center, were bombed here over the weekend even as President Ferdinand Marcos decreed strong measures against urban guerrillas out to destabilize his government.

Police said the explosives were thrown from two cars early Saturday onto the sidewalks, fronting the Makati Sports Center, the Insular Life Assurance Co., the San Miguel Corp. and the Bank of the Philippine Islands. The blasts shattered exterior glass walls of the buildings housing the two business firms and the bank. No one was reported injured.

It was the fifth bombing in Manila since Aug. 22. Hotels, shopping centers and government agencies had been the targets of earlier bombings, which have killed a U.S. resident and injured 42 persons.

April 6 Movement

A group called the April 6 Liberation Movement claimed responsibility for the four earlier bombings, but it has not claimed the new attack.

In a manifesto issued Oct. 4, the April 6 Movement warned the 6,000-member American Society of Travel Agents and the smaller Paris-based International Hotel Association not to come to Manila

for their conventions because of the unstable political atmosphere. However, officers of both organizations have arrived as scheduled to prepare for their conventions this week.

On Saturday, Philippine authorities assured them of police protection and strict security searches at all hotels and public places they will visit.

Mr. Marcos issued decrees imposing stiff penalties, including death for crimes against public order committed with explosives. He also offered rewards of up to \$6,600 for informants and witnesses against guerrillas.

Urban Guerrillas

In a televised interview, Defense Minister Juan Ponce Enrile said two guerrillas who had been arrested earlier were found to be Philippine-born U.S. citizens who flew in from the West Coast carrying U.S.-made explosives.

Mr. Enrile said they had trained somewhere in the Midwest, along with two dozen others, under the direction of anti-Marcos dissidents.

"The U.S. government cannot now ignore the fact some of its own nationals are getting involved ... It is morally and legally bound to see that that no harm comes to this country, which is a firm ally," Mr. Enrile said.

Obituaries

I.B. Chockie, Credited with First U.S. War Shot

The Associated Press

VER — Michael B. Chockie, who was credited with being the first American to fire a shot at any during World War I, died Sunday at his home in Fort Belknap, Idaho, after a long illness.

Mr. Chockie, 74, was born in 1891 and was a member of the National Guard. He was a private in the 1st Infantry Division during World War I.

Power said that Mr. Chockie, a Marine detail on the Guam harbor, fired the three shots across the bow of the German warship. The enemy stopped and its crew surrendered, the Sea Power article said.

troops did not fire any shots until 1917, when a battery of the 1st Field Artillery sent a howitzer shell into the German lines near Mont.

Billy Thomas

ANGELES (AP) — Billy Thomas, the child actor who played Buckwheat in the "Our Gang" comedy series, was found dead Friday at his home.

A coroner's investigator, Philip Spada, said that Mr. Thomas had died in his bed within the previous two or three days, possibly of a heart attack, but definitely of natural causes.

Wearing a straw boater and occasionally a "pretend" cigar in his mouth, Mr. Thomas strutted through "Our Gang" episodes for 10 years, until he grew too tall for the role. He later became a movie lab technician.

Mr. Thomas joined the "Our Gang" troupe in 1934 at the age of 3, at first appearing in a dress and wearing a wig in his hair. He played Buckwheat in 89 talking films.

Alberto Demicheli

MONTIVIDEO (AP) — Former President Alberto Demicheli, 84, who ruled Uruguay for 80 days under close military supervision four years ago, died here Sunday of a stroke, his family said.

A lawyer and a member of the liberal Colorado Party, Mr. Demicheli was part of the group of political leaders who agreed to cooperate with the Uruguayan armed forces in a June, 1973, coup. Under President Juan Maria Bordaberry the group dissolved Parliament, banned political and union activities and imposed stiff censorship on the news media.

Mr. Demicheli, then vice president of the Council of State, a body set up by the armed forces to replace Parliament, replaced Mr. Bordaberry in a military ouster in 1976. He served as president for 80 days, when he was succeeded by the present chief of state, Aparicio Mendez.

Forecast Raised For Emigration Of Soviet Jews

Reuters

TEL AVIV — Israeli immigration officials predict that an additional 5,000 Jews will be allowed to leave the Soviet Union this year following a sudden increase in the number emigrating last month.

Reporting to a conference of the Hebrew Immigration Aid Society, the officials said that they now expected more than 30,000 Jews to leave this year instead of the 25,000 estimated earlier.

Sources in the aid society said that the increase appeared to be due in part to the end of the Moscow Olympics, the U.S. presidential election and the forthcoming Madrid Conference on European Security, which is expected to discuss human rights.

The number of Jewish emigrants this year is well below the total of 50,000 last year.

Mrs. Gandhi Says Elder Son Won't Enter Politics

The Associated Press

NEW DELHI — Indian Prime Minister Indira Gandhi says her elder son Rajiv will stay out of politics, ending months of speculation over his role following the death of his younger brother Sanjay, who had become an increasingly influential adviser to Mrs. Gandhi.

"He is not joining politics," the United News of India quoted Mrs. Gandhi as saying in Bombay on Saturday after she received a petition from A.R. Antulay, chief minister of Maharashtra state, and legislators in her Congress-I Party.

It urged her to persuade Rajiv Gandhi, 37, to fill the vacuum created by Sanjay Gandhi's death at age 33 in the crash of his private plane in June, a few days after he had been appointed one of several general secretaries in the party.

Since then, there had been speculation about the political future of Rajiv, a pilot in Indian Airlines' domestic service. He said in August that, although he was not interested in a government post, he felt he might be able to help his mother as "a sort of communication medium."

3 Opposition Men Arrested
NEW DELHI (AP) — A former Cabinet minister and two opposition members of Parliament volunteered to be arrested Saturday with about 500 other demonstrators to protest what they called the draconian preventive detention ordinance promulgated last month by Mrs. Gandhi's government.

Those arrested included Sikkander Bakht, who was housing minister in former Prime Minister Morarji Desai's 1977-1979 government, Ram Jethmalani and J.P. Mathur. All are members of the Bharatiya Janata Party.

Invaders Said To Hold Border Areas in Uganda

The Associated Press

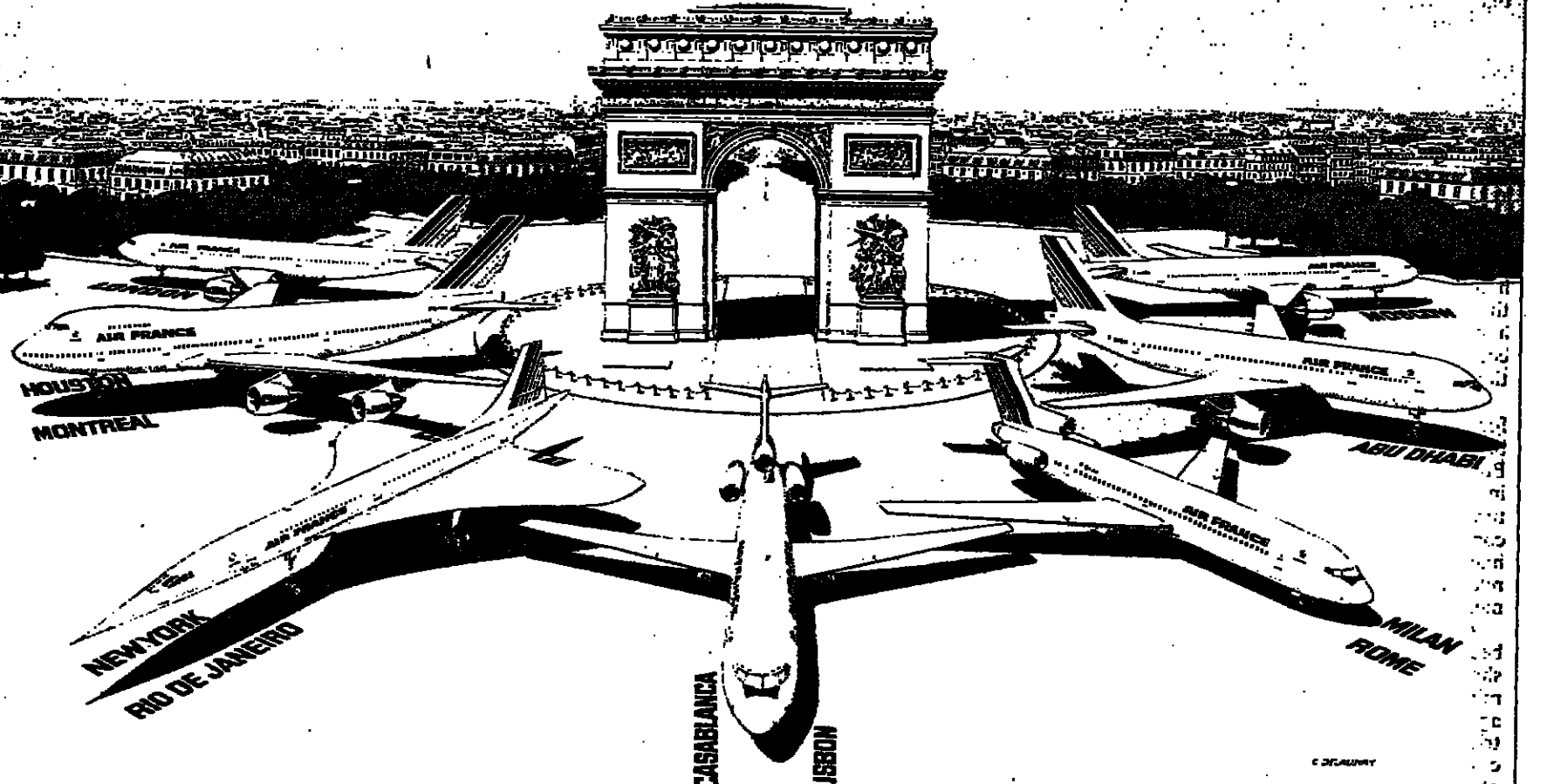
NAIROBI — Paul Muwanga, chairman of the Ugandan Military Commission, said Sunday that invaders who seized northwestern border areas a week ago were holding their ground, and that the Ugandan Army has made no counterattack, a Nairobi journalist reported.

The journalist, who asked not to be named, said that Mr. Muwanga told him in a telephone call: "We shall have to drive them out." Mr. Muwanga was quoted as saying that the army was moving reinforcements toward the border and that there was no cause for alarm in the rest of the country.

The invaders, believed to be former soldiers of Idi Amin, the deposed dictator, crossed the border from the Sudan and Zaire last Monday and were said to have taken more than a half-dozen towns as far as 30 kilometers (20 miles) inside Uganda.

They apparently were welcomed by friendly tribesmen and met little resistance from several hundred Ugandan soldiers. Mr. Muwanga said that the invaders numbered more than 2,000 — about double previous estimates — and were armed with rifles, mortars and rockets, the journalist reported.

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(Continued on Page 10)



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Leading Marketmakers in Eurobonds **WestLB**
Westdeutsche Landesbank

Book Business Staggers Under Its Star System; Climate Is Boom or Bust

By N.R. Kleinfield
New York Times Service

NEW YORK—Simon & Schuster, 56 years ago on the strength of some word-puzzle books, is by any yardstick one of the most successful publishers in the United States. At the time, you could sell 5,000 of "the books you could sell 5,000 of," you now sell 2,000 copies. "I identified as marginal, anything does not seem to hit a vital nerve or an absolute reason to be published is deep trouble, more so than ever before. Because of this, publishers must re-every book and not just publish as anyone," said Richard Snyder, president of Farrar, Straus & Giroux. "I think it's because of things that have happened in publishing for some years. The chickens are coming home to roost."

What has happened is that the industry has acquired the flavor of the high-stakes movie business. Recent years have seen the emergence of "star" writers suggestive of the box office stars in Hollywood. The plums of the bookshelves command huge sums of money, as much as several million dollars for a book; the only prerequisite may be a skimpy two-page outline.

"I remember when I was first in the book business and if William Faulkner would finish a book, he would bring it in and we would read it and publish it and the contract would be signed after the book was published," said Robert Bernstein, chairman of Random House. "Today, what has to happen in a lot of cases is you have to prove you believe in a book by over-offering it in financial terms."

"What this is leading to," Mr. Bernstein said, "is write-offs in every part of the business. If any publisher talks to you honestly, he'll tell you about some enormous write-offs on books where he bid \$1 million and earned \$200,000."

As advances have soared, the gulf between the rewards heaped on the stars and the slim recompense that typical authors get has become greater than ever.

Part of the problem with this is that success in the book business is nothing like success in the movie business: No

ened. Author organizations decrying concentration in the book business, such as the Authors Guild and the PEN American Center, have gone to Washington, where a Senate antitrust subcommittee held hearings on the book business in March that have produced little more than rhetoric. To some degree, publishers blame the economy for their recent ills. Historically, the book business has performed well during a recession; but business has failed to flower so far in this slowdown.

Yet more than an economic lull is involved. "All this is only partly a result of the economy," says Roger Straus Jr., president of Farrar, Straus & Giroux. "I think it's because of things that have happened in publishing for some years. The chickens are coming home to roost."

What has happened is that the industry has acquired the flavor of the high-stakes

'Anything that does not seem to hit a vital nerve or have an absolute reason to be published is in for deep trouble.'

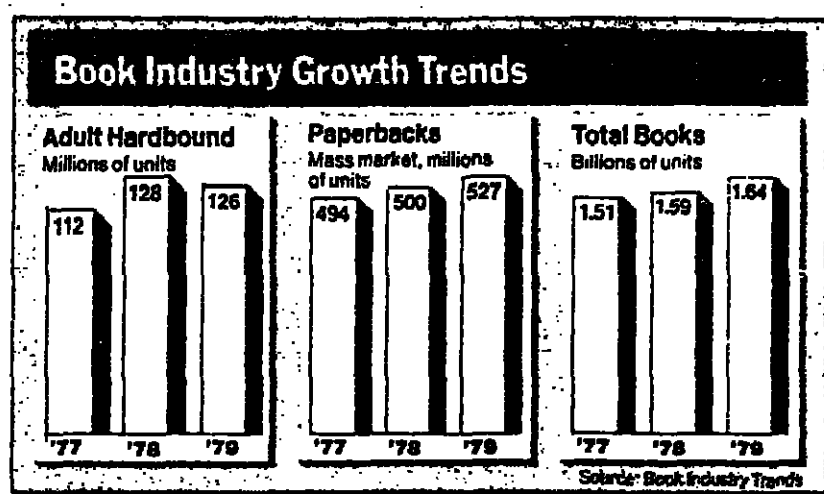
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Part of the problem with this is that success in the book business is nothing like success in the movie business: No



book can generate cash the way a "Star Wars" can, and support a house for years. And the trend has embittered writers not drawing bonanza payments.

Publishing has always involved striking a balance between books that a publisher thinks are meritorious and books that he thinks are commercial. But as publishers have come to be owned by big companies such as Gulf and Western, MCA and ITT that have enjoyed success in other corpo-

All told, the book industry sold about 1.6 billion books last year at retail — about \$7.2 billion worth, a 10-percent improvement over 1978. The biggest and most profitable sector of the industry is reference works and textbooks.

It is estimated that publishers earned a pretax profit margin of only 7.2 percent last year, down from 10.5 percent in 1978. Margins at most houses are apparently being squeezed even tighter this year, and publishers have responded in part by raising prices, with the result that average-length cloth-bound books are fetching \$12.95 and \$13.95, at a time when many books are sloppily edited and are being printed on paper that seems to disintegrate as you look at it.

Although customers might blanch at what books cost today, steeper prices have not done that much to bolster publishers' bottom lines. "Even as our retail prices have gone up, our margins have gone down," says Lawrence Friedlich, head of Windham Books, one of the satellite publishing houses of the Simon & Schuster empire. "It seems callous to charge \$14.95 for a novel," he says, "but we're making less money than when that novel was \$10.95. There is a phenomenon of the book that sells a decent amount of copies and for every copy that you sell you lose 75 cents."

"I think we're unquestionably headed for a shakeout," says Mr. Snyder of Simon and Schuster, whose house is one of the few that seems to be faring well this year. "There has not been an economic downturn since the star system began about five years ago, so the firms that are overinvested in stars are going to be in big trouble."

"It's boom or bust," Mr. Snyder said. "You get everything or you get nothing. You can't afford to be a young writer in America today. You can't afford to be a young editor. You can't afford to be a young publisher. And the publishing houses can't afford to do anything about it. They have to have their stars to cover the overhead."

Japan Automakers Warn Of Retaliation on Quotas

By Jane Seabury
Washington Post Service

WASHINGTON—Representatives of the Japan Automobile Manufacturers Association warned that any restriction of Japanese auto imports could lead to retaliation, and they said that the financial problems of U.S. automakers were caused by the public's rejection of Detroit's large, gas-guzzling cars, not by imported autos.

Economist Robert Nathan, testifying Friday on behalf of the Japanese association, told the International Trade Commission hearings that import barriers would raise "a most serious problem — the great danger of retaliation." He did not elaborate.

However, during the three days of testimony so far, speakers have given various projections on whether the Japanese would retaliate if any restrictions were imposed.

The hearings were requested by the United Auto Workers union and Ford Motor Company to limit the number of imported cars — especially those from Japan — sold in the United States for the next five years to give U.S. automakers time to modernize and develop their own small, fuel-efficient cars to compete with foreign models.

The ITC is expected to make its recommendation to the president by Nov. 10. The president then has 60 days to make a final decision.

The UAW and Ford allege that imports were substantial cause of injury to the domestic auto industry, resulting in 217,000 autoworkers being laid off indefinitely, 1,000 bankrupt car dealers and projected industry losses exceeding \$3 billion this year.

William Tanaka, representing the Japanese Manufacturers, said a slight rise in imported cars in the last few years did not cause Detroit's problems.

"The market for large, powerful, comfortable and gas-guzzling automobiles, which traditionally have been a specialty of Detroit — and which had produced such excellent sales and profits as late as 1978 — suddenly collapsed," Mr. Tanaka said.

1979 more of the type of fuel-efficient cars that it is producing today, many of the currently unemployed UAW members would still be at work and these hearings would not have been held.

"It is quite clear that, as unfortunate as unemployment may be in human terms, it is the direct result of the American consumer's unwillingness to purchase the large cars these unemployed workers had been producing," Mr. Tanaka said. "Restrictions on imports will restore neither that demand nor these jobs."

Representatives of Toyota Motor Sales, U.S.A. said they expect the U.S. auto industry to recover soon, along with general economy, so imports will no longer be a threat. John Gladen, speaking for Nissan, said the new American small cars are so well made, roomy and stylish that it will be difficult for imported cars to compete with them.

The Toyota and Nissan representatives also said, in response to ITC's questions, that contrary to allegations by Ford and the UAW they have not intentionally tried to flood U.S. market with vehicles.

Protectionism Not Seen As Answer to U.S. Woes

By Leonard Silk
New York Times Service

NEW YORK—The hearings that opened Wednesday before the International Trade Commission on whether U.S. automobile manufacturers should be protected from Japanese imports dramatize the reversal in the competitive strength of the United States since World War II.

The United States emerged from the war with the strongest economy in the world by far and as the natural leader of the non-Communist countries. It assumed the mission of helping its allies as well as its former enemies, Japan and West Germany, to rebuild their shattered economies. This was not pure altruism but enlightened self-interest: Expansion of the other industrial countries would further the expansion of the United States, and at the same time help to stave off Communist advance.

U.S. foreign aid was linked to liberal policies for trade and investment. This grand American design set the Western countries on a path to prosperity that transformed them socially and industrially. But along the way something went wrong with the U.S. plan to advance its own self-interest.

Why did the United States wind up in so weakened a position? A review of the U.S. international position since World War II by Stephen Clarke, a senior economist of the Federal Reserve Bank of New York, published in the bank's latest quarterly review, concludes that several interrelated factors were involved.

Stronger investment enabled foreign countries to achieve greater technological progress than the United States. Since 1960, the United States has maintained gross domestic investment, as a percentage of gross national product, of only 16 percent to 18 percent, compared with a range of 22 to 27 percent in West Germany and 32 to 34 percent in Japan. In fact, the United States has had the lowest domestic investment ratio of all major industrial countries since 1960.

Another factor that served to weaken the United States was the Bretton Woods postwar monetary system, which established fixed exchange rates with the dollar as the key currency. Other countries gained a competitive advantage because the dollar was overvalued — until the collapse of the Bretton Woods system and depreciation of the dollar in the early 1970s.

The terms of trade have shifted against the United States, with the prices of imports rising more rapidly than those of exports. The dollar today does not buy half what it once did in West Germany or Japan. Further, the United States has become increasingly dependent on imported raw materials, especially petroleum.

(Continued on Page 11, Col. 3)

Actions Raise Interest Rate Questions

Flood of New Issues Met by Eager Banks

By Carl Gewirtz
International Herald Tribune

NEW YORK—A flood of fixed-rate issues hit the Eurobond market last week. Lost in the euphoria that normally surrounds a calendar was a view about the market is headed.

It rushed to win business by issues and in the competitive market rates down sharply. Participants say there has been a notable increase in demand for bonds from either institutional or the now rarely seen restorers, meaning that banks going to take the new issues own books.

Reasoning is that interest rates headed lower and that as rates decline, bond which always move inverse movements are bound to.

In fact, money-market decline. The bellwether 10 Eurodollar rate ended at 13 percent, down from 14 percent a week earlier.

The late Friday report from the U.S. money market showed that the late week earlier supported the at the upward pressure on the rates is no longer present.

Rebound Worries

Long-term rates likely to much and are the coupons being offered on new issues of the last opportunities such high yields? What mainly seems to be the view banks, it does not explain rates are really headed lower and are rushing to sell bonds instead of waiting to affix coupons.

It would seem that borrowers are rushing to do business as rates dip to what is said to be a reasonable level by bond buyers.

Meeting of the prestigious Council in Hot Springs, Ark., a panel of economists forecast that inflation in 1981 will average about 14 percent, the rise in the consumer index will average about 10 percent in 1981. And while much of the comments by Chairman Walter Wriston, is quoted as saying he expects interest rates to decline before and Christmas as the supply also declines, what out of that statement was interpreted also expects rates to fall and begin a new upturn by the second quarter year.

They are asked how they view the apparent conflict between borrowers rush to sell paper now with why are so eager to underwrite such, bankers say that such

differences in view are "what make markets." But with the United States expected to emerge from a recession and inflation seen running at 10 percent (and presumably due to pick up steam as economic activity recovers), it is hard to see why coupons of 11 to 12 percent — representing a "real" rate of interest of a scant 1 to 2 percent — are expected to appeal to bond buyers.

The current \$100-million, seven-year offering for General Motors Overseas Finance was the week's best example of banks scrambling to do business at what appear to be unrealistic rates. A number of banks fought for the glamour of leading GM to the market; Morgan Stanley, vying to keep this premier American credit in its own stable, bought the deal with a coupon of 13 1/2 percent and an offering price of 99 1/2 to yield 11.77 percent. The notes were quoted at up to a four-point discount in the secondary market before ending the week at about 3 1/2 points below issue price.

A number of leading banks claimed to have turned down the invitation to join the underwriting group, and those in it explained that deals are joined for "a multiplicity of relationships" with the borrower and/or the lead manager. "It's tough to retreat from a deal wrongly priced if your relations are with everyone involved," said a banker. Others expressed the view that such high quality paper will be in great demand when rates dip between now and early next year.

There was an equal amount of bafflement about the attraction of Citicorp's latest issue. The bank holding company was offered such a good deal here — again by Morgan Stanley — that it canceled plans to do an issue in New York. It sold \$200 million of seven-year notes at 9 1/2 percent bearing a coupon of 12 percent.

The Citicorp deal still looks like a headache for Morgan Stanley, as so far only 11 co-managers have signed on at \$14 million each — a very hefty share in a market where a typical underwriting is about \$6 million — leaving the lead manager sitting with \$46 million.

quidity when market opportunities present themselves.

As for the competitors, he suggested that "Citibank's balance sheet may be growing faster than theirs."

Other issues currently on offer include:

- Trailer Train Finance, the U.S. equivalent of Eurofima, which helps finance the purchase of railway rolling stock, is seeking \$40 million for 12 years with a coupon of 13 1/2 percent. The issue is collateralized by equipment trust certificates. In effect, a trustee owns title to the equipment purchased with these funds and leases it, but the material can be seized by the bondholders in event of default. Trailer Train's U.S. debt is rated single-A.

• Comision Federal de Electricidad, the Mexican state electricity commission, is seeking \$75 million for seven years with a coupon of 13 percent. Pricing is open. A purchase fund, if fully operable, would reduce the average life to six years.

• Ingersoll-Rand International Financial Corp. is raising \$50 million for 15 years, offering a coupon of 13 1/2 percent and priced at par. A sinking fund starts in 1989 giving an average life of 11.98 years. The parent company's debt is rated single-A but this issue is guaranteed by Ingersoll-Rand Financial Corp., the finance vehicle of the U.S. machinery maker.

• New Zealand Forest Products Ltd. is seeking \$25 million for eight years. The bullet issue was priced at par with a coupon of 12 1/2 percent and cannot be called before 1982 and then starting at a premium of 103.

• UER Overseas Finance, guaranteed by United Energy Resources Inc., is offering \$50 million of eight-year notes carrying a coupon of 13 1/2 percent. A sinking fund starting in 1984 gives a seven-

year average life. The issue cannot be called before 1984 and then at a premium of 101 1/2.

• Ramada Inns, a single-B rated credit in the United States, is expected to offer \$50 million of seven-year notes bearing a coupon of 13 1/2 percent.

• J.C. Penney Overseas Capital, guaranteed by J.C. Penney Financial Corp., is raising \$100 million for six years using the deferred payment formula whereby only 25 percent of the subscription price need be put up on Nov. 1 and the remainder will be due May 1. The 25-percent payment represents an option to buy the bond if the coupon of 12 1/2 percent is looking attractive next spring, otherwise investors can opt to not put up the balance and walk away from the deal, losing their 25-percent down payment, of course.

• Sie Generale, the big French nationalized bank, is seeking \$100 million in seven-year floating-rate notes, offering a coupon set at a quarter point over the six-month interbank rate and guaranteeing a minimum coupon of 5 1/2 percent.

• Banco de la Nacion is offering \$25 million of floating-rate notes in the Asian dollar market. The coupon on the seven-year issue will be set at a quarter-point over the six-month Singapore interbank dollar rate with a minimum coupon of 6 percent guaranteed.

• Turbo Resources Ltd., an integrated Canadian oil and gas company, is making the first issue convertible into Canadian common stock. However, to avoid falling subject to Canadian withholding taxes, only 25 percent of the face amount is convertible into stock.

At conversion, investors will surrender each bond and receive the common stock plus a new bond with a face value of \$750. The fund starting in 1984 gives a seven-

(Continued on Page 11, Col. 3)

CURRENCY RATES

Interbank exchange rates for October 10, 1980, excluding bank service charges												
	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969
Australia ^a	1.9626	4.7180	10.185	FF.	46.52	0.282	—	—	—	—	—	—
Canada ^a	26.6490	2.0512	1.9044	1.1838	N.A. ^b	—	—	—	—	—	—	—
France ^a	1.8027	2.0299	—	—	N.A. ^b	—	—	—	—	—	—	—
Germany ^a	2.4545	—	—	—	N.A. ^b	—	—	—	—	—	—	—
India	—	—	4.2362	10.9515	2.04530	4.728	0.940	1.927	13.245	—	—	—
Malaya	8.2670	2.6070	0.7430	203.340	—	47.070	29.820	25.210	154.840	—	—	—
New York ^a	—	2.0415	0.5944	0.5291	N.A. ^b	0.8996	N.A.	0.6118	N.A.	—	—	—
London ^a	4.1808	—	—	—	N.A. ^b	27.100	1.900	1.900	75.770	—	—	—
Switzerland	1.4948	3.9524	10.6711	9.7087	0.703	33.247	5.6023	—	20.6710	—	—	—
U.K.	1.0645	0.5943	2.5339	5.5748	1.0743	2.761	0.480	2.291	7.0117	—	—	—

Dollar values												
	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969
U.S.	—	—	—	—	—	—	—	—	—	—	—	—
Canada ^a	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343
France ^a	0.0592	0.0592	0.0592	0.0592	0.0592	0.0592	0.0592	0.0592	0.0592	0.0592	0.0592	0.0592
Germany ^a	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302
India	0.0224	0.0224	0.0224	0.0224	0.0224	0.0224	0.0224	0.0224	0.0224	0.0224	0.0224	0.0224
Malaya	0.0138	0.0138	0.0138	0.0138	0.0138	0.0138	0.0138	0.0138	0.0138	0.0138	0.0138	0.0138
New York ^a	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779
London ^a	0.2428	0.2428	0.2428	0.2428	0.2428	0.2428	0.2428	0.2428	0.2428	0.2428	0.2428	0.2428
Switzerland	0.6772	0.6772	0.6772	0.6772	0.6772	0.6772	0.6772	0.6772	0.6772	0.6772	0.6772	0.6772
U.K.	0.7525	0.7525	0.7525	0.7525	0.7525	0.7525	0.7525	0.7525	0.7525	0.7525	0.7525	0.7525

(a) Starting 1.1500 (plus 1/16).

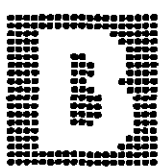
(b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston.

(Continued from page 8)

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All these securities having been sold, this announcement appears as matter of record only.



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County Bank Limited

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Kuwait Investment Company (S.A.K.)

Merrill Lynch International & Co.

October, 1980

SENIOR EXECUTIVE JOB GUIDE

Published at the end of the week, this is a compilation of senior level job opportunities from selected publications. Senior level jobs published by the International Herald Tribune through Tuesday automatically appear in this feature.

To place an advertisement in "INTERNATIONAL EXECUTIVE OPPORTUNITIES," contact our office in your country (listed in classified section). Any questions or comments concerning this feature can be directed to Juanita Caspari in the Paris office.

JOB TITLE	SALARY	EMPLOYER	JOB LOCAT.	SOME OF THE QUALIFICATIONS	CANDIDATES SHOULD MAKE CONTACT WITH	ADVT. Source
INTERNATIONAL SALES MANAGER	Excellent	Marja Microwave Corp.	New York	Exp. in all facets of microwave ind.; approx. 30% overseas travel	Personnel Dept., Marja, 75 Commercial St., Plainfield, L.I., New York 11803.	Wall Street Journal 1-18-80
INT'L SENIOR Housing Policy ADVISOR	Commensurate with prior compensation.	U.S. government agency.	Morocco	U.S. citizen; fluent French; broad bgd. in housing dev't, fin. & economics; prior foreign work exp.	Box 01652, International Herald Tribune, 92521 Neuilly Cedex, France.	L.N.T. 2-18-80
TECHNICO-COMMERCIAUX EXPORT		Importateur specialité (Instrumentation de laboratoires d'analyse médicale).		Formation scientifique, type NT chimie, biologie ou médecine, fr., ang.	Ref. 0010R3MT, Bernard Wifol Consultants, 1 Rue Barthez, 75283 Paris Cedex 06.	L.N.T. 2-18-80
FINANCIAL NEGOTIATOR	\$25,000 +	City based financial co.	Flexible	35-62; Eng. +; considerable overseas travel; persistence, determination & realistic financial awareness.	Ref. 2981, Tm Barbade, National One, 35 Piccadilly, London W1V 9PL, Tel.: 01-734 7282.	Financial Times 2-18-80
SENIOR CORPORATE AUDITOR	F.F. 150,000 + benefits	Two billion dollar U.S. multinational group.	Paris 30% & 70% overseas	27/29; prof. ACC; sound exp. gained either within top prof. practice or corp. audit function.	Ref. 4156, M.J.R. Chapman, Lloyd Chapman & Co., 125 New Bond St., London W1Y 6HR, Tel.: 01-489 7761.	Financial Times 2-18-80
ACCOUNTING MANAGER		Leading engineering consulting group.	Geneva	Swiss or permit; 35/48; Fr., Eng. qual. accountant; exp. of cost/works/projects acc'y. in industrial environment.	John Fearn, C.P. 255, 8089 Pulte, Zurich, Tel.: (021) 294337.	Financial Times 2-18-80
REGIONAL MANAGER		Part of world's largest manufacturer (heat & venting systems).	U.K.	Grad. with tech. account; min. 5 to 10 yrs. mktg. exp. on contract in mktg. or sales function; Eng., Ital. + Ger. & Fr.	John M. Botton, Solihull Metalcasters Division, Wallace Murray Ltd, 7 Chesdon Place, London SW1X 5NN.	L.N.T. 4-18-80
SYSTEMS ANALYSTS	Tax-free	Int'l Telecommunication Union.	Geneva	Highly qualified.	Int'l Telecommunication Union, Personnel Dept., Place des Nations, CH-1211 Geneva 20, Tel.: 822/955111.	L.N.T. 4-18-80
EUROPEAN FINANCIAL CONTROLLER	Negotiable around \$12,000	European subsidiary of American corp.	Working Survey	Qual. accountant; several yrs. practical exp.; 25/35; U.S. reporting methods gained within computer related enviro.	Ref. 1082, E.B. May, P.O. Box 19, Heron House, 19 Maryborough Road, London NW1, Tel.: 01-406 6851.	Sunday Times 5-18-80
GENERAL MANAGER OPERATIONS	Over /25,000	Nigeria opar. of highly respected U.K. construction group.	Nigeria	Success in managing major contracts; 40+ proven strengths in develop. effective plan. & control systems.	Ref. SA 1129-1, MSG, 37 Stratton St., London W1P 6HR, Tel.: 01-4933551.	Sunday Times 5-18-80
INTERNATIONAL MARKETING MANAGER	Upwards of \$20,000	Int'l package goods co.	London, extensive travel.	Self-starter; exp. in all aspects of mktg. & dealing with field Managers & Distributors; 35-45; Eng. +; c.	John Gelsmer (Ref. P580), London Executive, 17 Barners St. London W1P 3BU, Tel.: 01-580 5213.	Sunday Times 5-18-80
SUPERVISOR U.S. TAXES		Int'l acc'y. firm.	Paris	U.S. CPA or equiv. bgd.	Box D 1054, International Herald Tribune, 92521 Neuilly Cedex, France.	L.N.T. 7-18-80

American Exchange Options

For the Week Ending October 10, 1980

Class	Option & price
AA	100-1000
AB	100-1000
AC	100-1000
AD	100-1000
AE	100-1000
AF	100-1000
AG	100-1000
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UO	100-1000
UP	100-1000
UQ	100-1000

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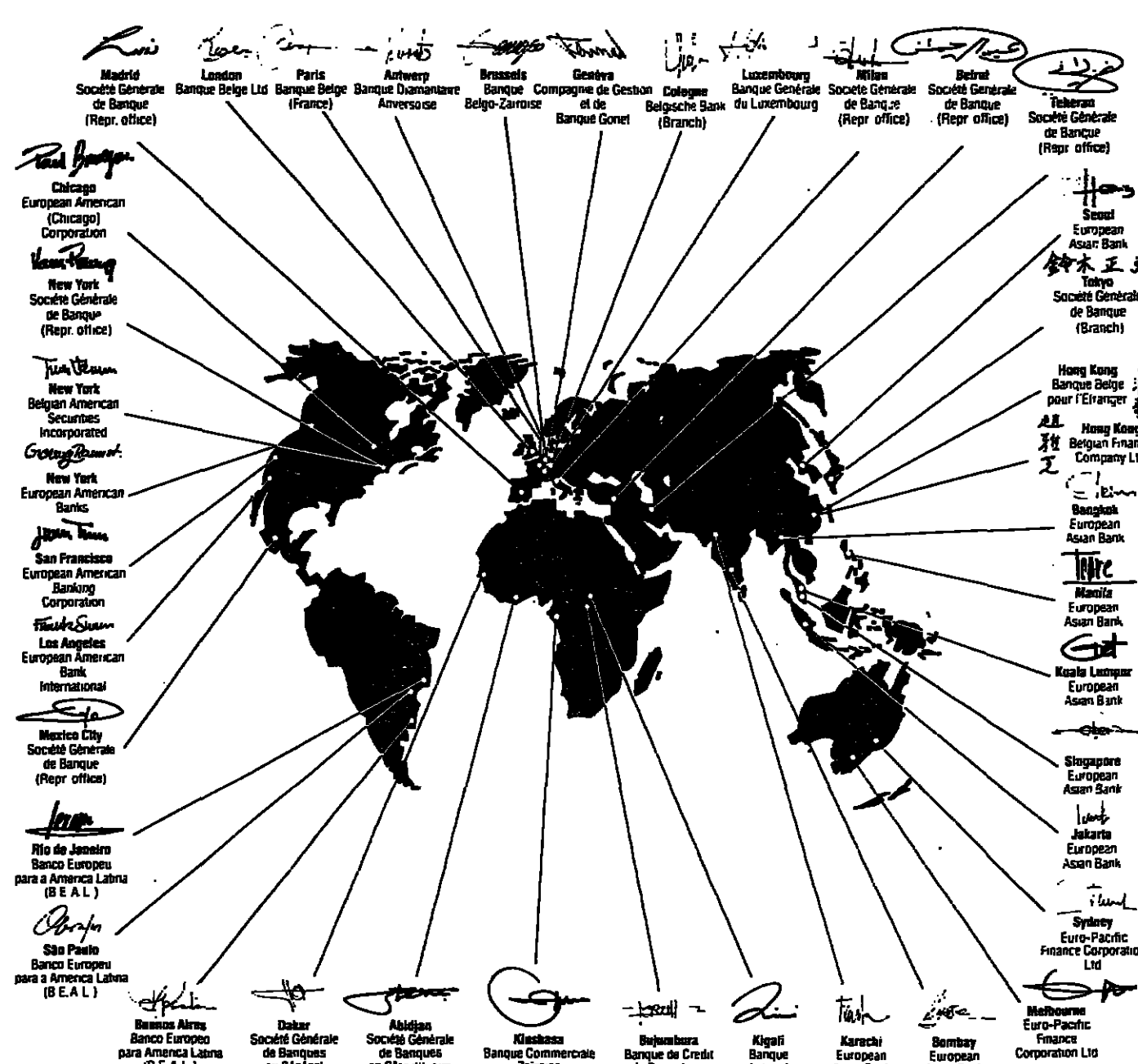
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Sales supplied by NASD.

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Over-the-Counter

Sales in				Sales in				Med.			
100s	High	Low	Low	100s	High	Low	Low	100s	High	Low	Low
151	22	185	18	121	95	8%	9%	14	14	14	14
152	22	185	18	121	95	8%	9%	14	14	14	14
153	22	185	18	121	95	8%	9%	14	14	14	14
154	22	185	18	121	95	8%	9%	14	14	14	14
155	22	185	18	121	95	8%	9%	14	14	14	14
156	22	185	18	121	95	8%	9%	14	14	14	14
157	22	185	18	121	95	8%	9%	14	14	14	14
158	22	185	18	121	95	8%	9%	14	14	14	14
159	22	185	18	121	95	8%	9%	14	14	14	14
160	22	185	18	121	95	8%	9%	14	14	14	14
161	22	185	18	121	95	8%	9%	14	14	14	14
162	22	185	18	121	95	8%	9%	14	14	14	14
163	22	185	18	121	95	8%	9%	14	14	14	14
164	22	185	18	121	95	8%	9%	14	14	14	14
165	22	185	18	121	95	8%	9%	14	14	14	14
166	22	185	18	121	95	8%	9%	14	14	14	14
167	22	185	18	121	95	8%	9%	14	14	14	14
168	22	185	18	121	95	8%	9%	14	14	14	14
169	22	185	18	121	95	8%	9%	14	14	14	14
170	22	185	18	121	95	8%	9%	14	14	14	14
171	22	185	18	121	95	8%	9%	14	14	14	14
172	22	185	18	121	95	8%	9%	14	14	14	14
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198	22	185	18	121	95	8%	9%	14	14	14	14
199	22	185	18	121	95	8%	9%	14	14	14	14
200	22	185	18	121	95	8%	9%	14	14	14	14



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675	35.00-33.80	67.00-72.00	
690	35.00-37.00	69.00-65.00	
710	24.00-28.00	53.00-59.00	
730	17.00-21.00	45.00-50.00	
750	12.00-16.00	38.00-43.00	

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